

Over one-half of the power sales of REA borrowers is now to nonfarm consumers. That trend will continue. The ratio of new non-farm consumers to farm consumers is now 3 to 1.

We want to see that these borrowers obtain the additional capital funds they need and continue to prosper as independent community service organizations, paying their own way.

REA borrowers have demonstrated their ability to pay their own way.

I am certain that the majority of the directors, managers, and members of rural electric cooperatives want to pay their own way. They do not want to rely on Government support. This is in keeping with the best of American traditions.

I have full confidence in the judgment of an informed American people. That is why I consider it such a privilege—and such a grave responsibility—to meet with you tonight.

We must build solidly for the future of our agriculture. To do this, I repeat, is not just a farm problem. It is an American problem—our problem.

I pledge to you and through you to all the farm and city people of America that I will continue to do all in my power to develop and maintain a prosperous, expanding, and free agriculture. And I also pledge to you that I will never support any policy or program which I believe is not in the best interest of our farmers and fair to all of our people, regardless of political pressure.

Our goal, I repeat, is a prosperous, expanding, and free agriculture.

We need such an agriculture to help our Nation confront at full strength those on the international scene who are eagerly scanning our economy for a sign of weakness. We need such an agriculture to meet the inevitably expanding demands of our rapidly growing population.

Let us seek the solutions we so sorely need. There is no room for blind partisanship, for prejudice, for bitter bias. Agriculture is neither Republican nor Democrat. It is American.

As Americans all, let us get on with the job. God willing, the progress, prosperity, and strength of our American agriculture are now only in their beginnings.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 25, 1959

The House met at 12 o'clock noon. The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Joel 2: 21: *Fear not, O land, be glad and rejoice; for the Lord will do great things.*

O Thou whose presence is our shield in the stillness of the night and our strength in the struggles of each new day, help us to feel and appreciate more fully how wonderful it is that daily we may enter into communion and counsel with the God of all grace and goodness.

Inspire us with a faith that never wavers and a courage that never falters as we seek to fulfill the high and holy mission which Thou hast entrusted unto us.

Grant that we may authenticate the glory and grandeur of the ideals and principles of democracy by incarnating them more completely in our own personal life.

May we accept its declarations and demands and strive to make them regnant in all the various spheres of human relationships.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Thursday, May 21, 1959, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1901. An act to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco; and

S. 1968. An act to strengthen the wheat marketing quota and price support program.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 57) entitled "An act to extend and amend laws relat-

ing to the provision and improvement of housing and the renewal of urban communities, and for other purposes," agrees to the conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. FULBRIGHT, Mr. DOUGLAS, Mr. CLARK, Mr. WILLIAMS of New Jersey, Mr. MUSKIE, Mr. CAPEHART, Mr. BENNETT, and Mr. BUSH to be the conferees on the part of the Senate.

ELECTION TO STANDING COMMITTEES

Mr. MILLS. Mr. Speaker, I offer a privileged resolution, House Resolution 273, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:

Committee on Agriculture: ROBERT W. LEVERING, Ohio.

Committee on Post Office and Civil Service: JAMES C. OLIVER, Maine.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATIONS, 1960

Mr. PRESTON, from the Committee on Appropriations, reported the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes, report No. 377, which was read a first and second time and, with accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. BOW reserved all points of order on the bill.

COMMITTEE ON AGRICULTURE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on H.R. 7246, the wheat bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE LATE HONORABLE JOHN FOSTER DULLES

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. McCormack].

Mr. MCCORMACK. Mr. Speaker, the death of John Foster Dulles takes from our midst not only a man whose nobility of character, whose love of country and love of God and neighbor profoundly impresses us, but a great American, a man who will go down in history as one of our great Secretaries of State. John Foster Dulles served our country in many capacities during a most trying period of the world's history. As Secretary of State he served our country and the free world with outstanding ability, with a discerning mind, and with great courage.

While he has left us, the spirit of John Foster Dulles will always remain in America, for the spirit of John Foster Dulles was the spirit of a government of laws and not of men; the spirit of independence of nations and free people everywhere. His spirit was the spirit of peace on earth. His whole life was dedicated to this great cause. He served as our Secretary of State during one of the most trying periods of our Nation's history, and of the world's history. His superb leadership has been a powerful factor in stopping in the world of today the forces of evilness and destruction in their dastardly intent of the domination of the world and enslavement of all peoples. John Foster Dulles was the spirit of deep faith, of strong courage, of intense love of America and of a grim determination and courage to preserve our institutions of free government and for the people of other nations to preserve their free institutions of government.

While in body John Foster Dulles has left us, his spirit will always remain with all generations of Americans.

Mrs. McCormack and I extend to Mrs. Dulles and her loved ones our profound sympathy in their bereavement. We know that Mrs. Dulles and her loved ones will derive great consolation in their sorrow in the knowledge that John Foster Dulles, husband and father, led such a life and gave such leadership as to command the respect and affection of all persons, without regard to race, color, or creed who believe in God and His law.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to my distinguished friend, the gentleman from Indiana [Mr. HALLECK], the minority leader.

Mr. HALLECK. Mr. Speaker, I thank the gentleman from Massachusetts, and first ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. I take it the gentleman from Massachusetts will ask permission for all Members to extend their remarks.

Mr. McCORMACK. I will.

Mr. HALLECK. Mr. Speaker, in my time on this earth, before I came to Congress and since I have been in the Congress of the United States, it has been my privilege to know many men whom I considered truly great, dedicated men, capable men, men of balanced judgment and strength and courage. I can honestly say of John Foster Dulles that he was one of the greatest I ever knew.

Now that he is gone I am happy indeed that in his lifetime I expressed those thoughts to him. I am sure he knew I was sincere in what I had to say.

As the gentleman from Massachusetts has so well said, John Foster Dulles served as Secretary of State in some of the most troublesome years the Republic has ever seen. He served well. On occasion it was said he was too flexible; on other occasions it was said he was too inflexible; but he could be flexible when something was really to be gained for the interests of the free world, for the security of our people and the advantage of our people. However, he had a remarkable capacity for determining the things that were true, honest, and sincere, and the things that were not in that category. When he discovered that the blandishment, the statements, or pronouncements of people with whom he had to deal, were not to be accorded that degree of consideration that go with sincere and honest statements of position, he could be as adamant as the Rock of Gibraltar. I think therein lay his great strength and his capacity in these difficult years.

He was my personal friend, as I was his personal friend. I knew John Foster Dulles long before he ever became Secretary of State. In whatever capacity I have known him I found him to be a rugged, honest, dedicated man, and with it all an aptitude for hard work and diligent effort that is absolutely essential if anyone, no matter what his ability, is to be of any real good in the world. So we all mourn his passing.

The worldwide reaction to his death speaks more eloquently of his stature than any words I might employ.

It is a matter of particular pride to me that the man whose name Secretary Dulles bore so proudly—and with such distinction—his grandfather, John Watson Foster, was born in my home State of Indiana.

It is a matter of record that John Watson Foster, himself a noted diplomat of his time, first kindled in his grandson, John Foster Dulles, an interest for public service in this field.

I find it difficult to adequately express my feelings on this melancholy occasion.

What can be said in tribute to John Foster Dulles that has not already been said so well by so many?

I have lost a valued friend whom I shall miss sorely.

America has lost a dedicated son, a wise and indefatigable servant of her people.

And all humanity has lost a courageous fighter for freedom.

I believe sincerely we are too close to the life and work of John Foster Dulles to assess the full magnitude of his greatness.

With equal sincerity I express my confidence that posterity will rank him with the true giants of this Nation's history.

To the widow and family of our beloved associate I extend my heartfelt sympathies in their bereavement.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. Mr. Speaker, the death of John Foster Dulles has deprived our Nation of one of its finest citizens and one of its greatest Secretaries of State.

Secretary Dulles devoted his life to the service of his beloved country. Even in his final days, he put Nation above self, giving us unstintingly the benefit of his rare talents and wisdom.

He will go down in history as a man of true courage, pursuing always the course he felt right no matter how severe the criticism at home or abroad. His courage stemmed from a deep conviction and faith in his God, his country, and the American way of life.

We have all suffered a great loss. Our hearts go out to his family. We extend to them our prayers and deepest sympathy in their hour of sadness.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the distinguished gentleman from New York.

Mr. LINDSAY. Mr. Speaker, the death of John Foster Dulles last Sunday morning has saddened the world, on which he left his mark. I presume to take the floor this morning for a few minutes for very special reasons. Others across the Nation and in every continent have spoken eloquently and with far greater right than I of the loss to all humanity in the passing of this just and courageous man. My brief words are added here chiefly in behalf of old friends, neighbors, and professional associates of Mr. Dulles, and I speak for them.

The Dulles family were residents of the 17th District of New York, which I am honored to represent. He was my constituent in the brief period that I have been here. They had a happy home in New York during all those years because there was love and honor in it, and we were all the better for it.

Mr. and Mrs. Dulles and my parents were old friends and contemporaries. I remember my father once saying, "I never think of Foster without thinking of Janet by his side." So to his old

friends and to his young ones, and to his neighbors in New York, a city which he loved, his death is a special loss. An old and dear friend has left them.

For his professional associates and colleagues in New York who shared with him a common devotion to their common profession, Mr. Dulles' death also carries a special personal meaning.

Dudley B. Bonsal, president of the Association of the Bar of the City of New York, of which Mr. Dulles was always a leading and active member, has today issued the following statement:

The Association of the Bar of the City of New York notes with the deepest sorrow the passing of its most distinguished member, John Foster Dulles. Mr. Dulles was vice president of our association from 1943 to 1945 and served on the executive committee from 1928 to 1931. He was chairman of our association's committee on administrative law from 1939 to 1941 and served for 20 years on the association's committee on international law and was its chairman for the years 1944 and 1945.

In June 1944 the committee on international law, during Mr. Dulles' chairmanship, produced a report on international law and order. This report presaged Mr. Dulles' later philosophy on international law. The committee's report stated:

"We emphasize that just and durable peace can never be achieved by diplomatic expedients or by balances or concerts of power, or by league or councils which are only paper organizations or forums for national maneuvering. Such things may provide an interlude from war. But that interlude must be intelligently and industriously used to achieve the essential to lasting peace, namely, a way to produce legal and equitable principles. There has never yet existed any relationship between the nations which served to produce such principles in form and substance adequate to the needs of a changing world. To develop such relationship is the great task of our time, and it is a task wherein lawyers have a peculiar duty of leadership."

To young men Mr. Dulles' life was an inspiration. There have been many who were trained under him and who had the good fortune to work with him, both in and out of government.

If I may be allowed a personal note, I shall always treasure the memory that Mr. Dulles took a personal interest in my own campaign for Congress last fall, when his duties were perhaps more burdensome than ever, and I treasure the two letters which he took time out to write me during this period.

To Mrs. Dulles, to their children, to his brother Allen, to his sister Eleanor and to all his loved ones go the prayers and sympathies of their friends and neighbors.

Mr. McCORMACK. Mr. Speaker, I yield to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Speaker, our country and the world have lost a great fighter for peace and for freedom in the loss of John Foster Dulles.

It was my privilege to know the Dulles family well for many years, and my heart and our hearts go out in deep sympathy to Mrs. Dulles in these sad hours. I have never known a couple who were such an admirable team. Theirs was, indeed, a beautiful family life, an example to our country and an example to the world.

Above all his other talents, John Foster Dulles was a good man. When he was derided, when he was criticized, he never allowed it to embitter him in any way. He never answered back. He went forward doing what he thought was right and in the end he was vindicated, for now we hear on all sides nothing but praise and admiration for his work.

True, he did not push communism back, but at least he did not let it come any farther. John Foster Dulles had a difficult task. Mistakes had been made by others, but he never spoke of those mistakes and he never named those who had made them.

In his passing, in his suffering, he could say as that great valedictory of St. Paul said:

I have fought a good fight, I have finished my course. I have kept the faith.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN].

Mr. MORGAN. Mr. Speaker, the people of the United States and many millions throughout the world are saddened by the death of the courageous and dedicated servant of mankind, Hon. John Foster Dulles.

For a decade John Foster Dulles has made an important contribution to the shaping of American foreign policy. During his Secretaryship he has led the free world's fight against international communism. No one was more dedicated to peace and to his country. Some of his policies were notably successful, but even in the face of criticism, nothing could sway him from his relentless determination to make this world a better place in which to live. Even the Russians respected him as a formidable adversary and were aware that he possessed the fortitude and devotion of a true statesman.

John Foster Dulles had an extraordinary human side. He was warm, witty and considerate in individual relationships. His religious convictions were exemplified in his daily action.

He abounded with an indefatigable energy which carried him to the far corners of the earth in the pursuit of freedom for mankind.

His entire life was spent in preparation for the position he undertook in 1953. Integrity and competence in all his actions were the principles that guided him in his long career. His intellect was something to be admired by everyone who came in contact with him.

As Secretary of State, no man ever gave more of himself to his office. John Foster Dulles will be missed. We, who have known him and worked with him, have lost a close friend and a great American. To Mrs. Dulles and her family, I extend my deepest sympathy.

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. CHIPERFIELD] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CHIPERFIELD. Mr. Speaker, it was with profound sorrow and a sense of great personal loss that I learned of the passing of John Foster Dulles. Because of his recent illness the country lost not only one of its most able Cabinet members, but now because of his death we have lost his valuable services as a special adviser to the President and one of the most highly respected and hard-working public servants.

Because of my long tenure on the Foreign Affairs Committee it was my privilege to come in contact with Secretary Dulles perhaps more often than the average Member of Congress. It is impossible at this time for me to dwell in detail on the various facets of his life and his services, but if I could characterize him in any single outstanding way it would be he was one of the greatest Secretaries of State in our entire history. Because of his great ability in the field of international affairs he made an indelible and abiding impress not only upon the affairs of this country but the entire world. He marched resolutely upon a single course that had as its goal—peace.

History will write a fuller picture of this man than can be given now, but all realize he was an astute scholar, a great statesman and an outstanding authority on international affairs. Few men in our history have been so widely versed.

A short time ago I read a very fine tribute to him in an editorial appearing in the New York Times entitled "A Veteran Goes on Furlough." I only wish this was still so. By transposing this editorial to the past tense it well expresses my thoughts:

John Foster Dulles valiantly served the people of this country and of the free world since he became Secretary of State in January 1953, and for a long time before that. He did not spare himself. His travels, mostly by air, ran into the hundreds of thousands of miles. The strain of his journeys, the labors of his long days and sleepless nights may have hastened the breakdown of his health. Yet all of us well know that if he could have foreseen this result he would still have done precisely as he did.

Mr. Dulles came to the Department of State with as wide and deep a knowledge of international affairs as any man in our history. He came with conscience and with ideals. He came with utter devotion to the cause of his country, of his country's allies, and of peace. He had some of the Puritan qualities that run through all the great religions. For more than 6 years he, more than any other man, directed and represented our foreign policy. He made what some critics consider mistakes of judgment. He was firm when others might have been conciliatory. But our policy, under his direction, has been consistent in its aims.

John Foster Dulles gave all of his unusual talents to the country he loved so well. He will be mourned not only by all the people of the United States, but by freedom-loving people everywhere. Let us take up the torch he has laid down and with renewed faith and determination find strength and peace through unity among nations for which he worked so diligently.

Mr. McCORMACK. Mr. Speaker, I yield to the gentlewoman from Ohio [Mrs. BOLTON], a distinguished member of the Committee on Foreign Affairs.

Mrs. BOLTON. Mr. Speaker, we have all come into this House today with very saddened hearts. John Foster Dulles, who so recently was our Secretary of State, has fought a good fight in so many areas of his living. Certainly, the battle he put up for peace and for freedom will be remembered down through the ages. The fight he made for life through unthinkable pain and anguish is something that all of us may well have to try to emulate someday. That he is released, that he is relieved of the pain and suffering, is a matter for which we can only rejoice. Our hearts go out to his faithful wife, always beside him, always smiling, always aiding and abetting him in everything he wanted to do. I feel sure that all Members will want to join me in gratitude to the Infinite that this loyal, courageous, consecrated public servant was released while he slept. May his soul rest in peace.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished minority whip, the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, I, too, with all the untold number of friends of John Foster Dulles, mourn his passing. As was said a moment ago, he was one of the great Secretaries of State. I would like to go somewhat further and say that in my humble opinion he was one of the greatest Secretaries of State this Nation has ever been privileged to have. John Foster Dulles was a man of Christian character; a man who practiced Christianity in his personal life as well as in his official capacity as Secretary of State. He has set a shining example for all of us to follow. He truly practiced the admonition of "turning the other cheek." It has been my great privilege to know him for many years. Likewise, I have been privileged have on occasion been in his home; a most wonderful home surrounded by exemplary family life; a place where you quickly understood that fundamental goodness was the motivating spirit of the place, where in sitting around and visiting with this man you would hear him expound his philosophy of life and what he believed the service of a man should be to his fellowmen and nations throughout the world. He was dedicated to the service of peace. Peace was his goal. Many years ago I recognized that this man's qualities were outstanding, and I am pleased that it was my opportunity at many times to mention publicly the greatness of Foster Dulles which is recognized not only in this country but throughout the free world. He was, I repeat, a man of great character, a man of Christian principles, a man of devoted service, a man who did so much for not only the people of this country but for the free people everywhere in his endeavor to bring about permanent peace on earth. Surely it might be said of him: "Blessed are the peacemakers for they shall be called the children of God." Mrs. Arends and I express our sympathies to Mrs. Dulles and her fine family. I am sure God has placed the hand of comfort on them in their hour of bereavement.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Washington [Mr. PELLY].

Mr. PELL. Mr. Speaker, Members of the House of Representatives and Americans everywhere are mourning the death of John Foster Dulles.

Mr. Dulles' service to the Nation, and especially as Secretary of State, are such as to assure him the grateful memory of the living as well as the admiration and respect of future generations. Especially this will be true because of his contribution toward the preservation of freedom and the free world.

The influence of John Foster Dulles in world affairs included his part in the creation and operation of the United Nations, the Japanese Peace Treaty, the Southeast Asia Treaty Organization and the NATO Alliance. However, Mr. Speaker, the aspect of his career which appeals most to me was his firm and unyielding position against communism. His deep religious convictions and spiritual and intellectual qualities were an inflexible fortress against compromise in any way, shape or form with the imperialistic, godless forces of the Communists.

There is no honor too great to justify the debt this Nation owes Mr. Dulles. Time and history will pay him the real compliment he deserves. Meanwhile a sorrowing Nation mourns his loss.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. AUCHINCLOSS].

Mr. AUCHINCLOSS. Mr. Speaker, the whole world mourns the passing of John Foster Dulles. This great outstanding American of our time carried high the banner of honest dealing, of constructive thinking, and of enduring peace so that all the peoples of the world knew and respected our country's high principles. The impact of his character and his courageous stand for that which was honest and of good report will long endure. The like of him will not be seen again for a long time.

It was my privilege to have known Foster Dulles for a number of years, having worked with him on various business problems when he was practicing law in New York City. One of the outstanding qualities of his remarkable mind was his clear vision which was never clouded by temptations of expediency. He steadfastly refused to be swayed by any compromise with that which was unworthy of his high ideals, his sense of justice and fair play. His penetrating mind would go to the root of every problem before him and he would speak his mind clearly and firmly. Businessmen respected him highly and considered his judgment sound and unassailable.

These great talents of his were carried with him into his public life and he gave of them without stint for the everlasting good of his beloved country and indeed of mankind. All who came in contact with him recognized his wisdom, his zeal, and his patience, together with his spirit of truth, honor, and humility. The world is better for his having lived in it, and those of us who knew him personally are conscious of the loss of his influence on our lives.

My sincere sympathy goes to the widow and family at this time of their sorrow, and I feel sure they find comfort

in the memory of this beautiful Christian soul that has gone to its rich reward.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, in the passing from this life of our eminent Secretary of State, the late John Foster Dulles, America has lost one of its greatest of statesmen, and the free world, as well as the people in all nations, has lost a most powerful champion of peace. Secretary Dulles was a man of wide knowledge and great experience. He has lived through times that have illustrated war is not an effective answer to international controversy. Knowing this full well, Secretary Dulles dedicated his entire strength and energy in trying to settle international problems that might lead to war, and in this way preserve the peace of the world.

Regardless of the nations they represent, all political leaders, although they may have disagreed with Secretary Dulles, respected him for his honesty, forthrightness, integrity, and overwhelming desire to remove the causes of international friction and make it possible for mankind throughout the world to enjoy a full life, confident of the future in a world at peace.

This genuine belief of Secretary Dulles, that permanent peace is possible during these times, fired his determination to work with all his energy and ability to bring this noble objective into reality. This was a gigantic undertaking. Because of his constant labor and his great contribution, however, I am positive this gigantic objective is much closer to reality.

If the complex international problems in these times are negotiated into international agreement and are constructively settled short of war, the people of all nations, not only in the free world, but in all of the nations, will indeed owe their thanks and appreciation to the patient, striving, constant, dedicated labor of Secretary John Foster Dulles.

For many years I have had the honor to know personally Secretary Dulles, his wonderful wife, and his devoted family. My heartfelt sympathy goes to them now. Theirs is a highly respected family everywhere. It is a devoted family, a Christian family. Noble and honorable, it is an American family.

When the history of these times is finally recorded and appreciated, the wisdom, the counsel, the objectives of Secretary of State John Foster Dulles will stand out in the great part they exercised in the molding of events. Just as the inspiring Washington Monument seems to extend above our complex daily problems and difficulties, the great contributions to international peace of Secretary of State John Foster Dulles constitute his monument to the world of these times, and it reaches high into the heavens.

At this time, Mr. Speaker, I should like to include in my remarks an editorial which appeared today in the Boston Daily Record. The editorial is entitled "Mr. Dulles." Following is a drawing of Father Time recording the history of

this world. On the left hand page of the open book is written:

The incalculable contributions of John Foster Dulles to peace and freedom.

Under this quotation, Father Time has filled the pages of his history. Following is the editorial:

MR. DULLES

If the free world had to name the one man who more than any other has been the architect of peace and liberty in these years of Red aggression, the name would have to be John Foster Dulles.

If the designers of world conquest in Moscow and Peiping had to name the one man who more than any other has frustrated their plans, the name would have to be John Foster Dulles.

A deeply religious man, Mr. Dulles lived his faith both in the fortitude of his private life and in the high ideals which guided him as Secretary of State.

The works of this far-seeing statesman are a more enduring epitaph than words can be. If words can contribute, President Eisenhower has said them well. The occasion was on last April 15, in announcing the resignation of Mr. Dulles, stricken down by the malignancy which has now claimed his life. The President said then, and a sorrowing Nation echoes now:

"... He has filled his office with greater distinction than any other man our country has known. A man of tremendous character and courage, intelligence and wisdom."

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, surely no one here can feel sorrow at the final release of John Foster Dulles from the physical suffering through which we know he had been going in recent weeks. It is for ourselves and our country that we mourn today—and for a free world that had come to depend more than we realize, perhaps, on his steadfastness of character and his superb leadership and skill in dealing with the enemy of everything we believe in, stand for, and care about.

Yesterday morning when I heard of his passing in his sleep, I thought how extraordinarily appropriate it was that a man who all his life since boyhood had been going on Sunday morning to the church to worship, the church of which his father was a minister, had gone on a Sunday morning to be in his Heavenly Father's home eternally.

Just last week, in a colloquy here with the distinguished majority leader and several other Members, we spoke more fully of the great gifts, the disciplined mind, the tactical resourcefulness, and above all, the selfless dedication to country and to high principle which enabled this extraordinary man to make such extraordinary contributions to the land he loved and the peoples of the earth everywhere.

I do not want to repeat that at this time nor shall I try to say anything additional except one point. Mr. Dulles, as has already been stated here, never wavered in his conviction that there is in the world a moral order. There are such things as right and wrong. There are such things as truth and falsehood. There are such things as good and evil. Men can live in harmony with these principles or men can live against them,

but the principles endure. You and I can violate the principles; but we cannot break them. In the end if we violate the principles, they break us.

We do not have to chart our course by the North Star—but there is a North Star. We can chart our course by it, if we wish.

It was the deep, abiding faith and conviction of this man's life that God is, and that God's world is dependable. Therefore, it was not his task, or ours, to speculate about whether or not there are principles which are eternal and abiding and which in the end will prevail—the only question was how to discover these principles and to live by them; how to be sure what they are and how to put them into practice in concrete situations.

Mr. Dulles, as much as any person it has been my privilege to know, had this capacity. It was always inspiring to those who had the opportunity to meet with him as we in the Committee on Foreign Affairs frequently did, to hear him once in a while, perhaps in response to a question, bring forth an extemporaneous but movingly worded statement of his fundamental faith in man and in the basic goodness of the universe. He refused to believe evil would win, if we and others would be steadfast.

So often men say, "peace on earth, peace on earth, good will to men," as if saying it will produce it. We forget that that promise was given subject to a condition. Mr. Dulles never forgot the condition. The condition was "glory to God in the highest." Then will come "peace on earth, good will to men." There is no assurance of lasting peace on earth and good will to men except as or until men have at the heart of their lives and at the root of their motivations, "glory to God in the highest," that is, to the eternal truth that is in the very nature of the universe.

Communists avow their belief that there is no God, there is no moral order. But our society was founded by men who wrote, "We hold these truths to be self-evident, that all men are created equal." There is a Creator. That was the first great act of faith from which all the best and the most enduring in our country have flowed. Not "glory to God in the highest" in a sectarian sense or in a professionally pious sense, but the same deep faith in eternal values which motivated our forefathers; the steady conviction that there is in this world a moral order. And truth, not wrong, will triumph if we stick to it.

Our task is to find the truth and to adhere to it patiently and persistently, as we strive to apply the eternal principles in our everyday living—as individuals, as families, as communities, as nations and as one humanity.

I do not know when again we will be privileged to know and work with a man who so deeply understood these principles and so well exemplified them in his faith at work, and who, therefore, was so almost indispensable to a world which today is floundering because of loss of faith in or adherence to these essential truths. I join with everyone here and in a grateful nation in extending to his

devoted widow and their family our deepest sympathy.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Speaker, it is with deep regret and sadness that I join millions of my fellow Americans, as well as hundreds of millions of freedom loving people throughout the world, in mourning the passing of John Foster Dulles.

No man in recent history has pursued a more dedicated and devoted labor for international peace and freedom for mankind everywhere. His great and unselfish service to this cause and his able conduct of our foreign policies during the last 6 years will live in the grateful hearts of his countrymen forever.

It is truly one of the great tragedies of our time that such a noble and selfless public servant could not have been spared, either to continue to lend his talents to our Government in these critical days or to enjoy a few well-deserved years of retirement. John Foster Dulles was indeed a patriot who made the supreme sacrifice in his country's service just as truly as the thousands of our honored dead whom we will be commemorating this coming Saturday, May 30. It is my hope, Mr. Speaker, that the example of his life and the nobility of his tragic death will inspire all of us to carry on his labors in behalf of a just and honorable peace for which he so tirelessly strove during his entire adult years. At the same time, we should be equally inspired to continue his work for the liberation of enslaved peoples everywhere, realizing that that course of action not only offers our best hope for peace but also is essential for our national security and survival.

I hope that his sorrowing family will take consolation in the fact that a life such as his, based firmly on the principles of Christian faith and truth, will always serve as an inspirational model for men of good will throughout the world. Our prayers and thoughts go out to Mrs. Dulles and all those who have suffered a personal loss in his passing, as indeed we all have in a greater sense. It is my earnest hope that the solemn pride in his accomplishments which must be theirs will help ease the burden of grief which they are also bearing at this time.

John Foster Dulles has not only made his mark in the world's history, he has also, through his irreproachable conduct, indeed built up treasure for himself in the Kingdom of Heaven. I am certain that his Creator has already greeted him there with the words "Well done, thou good and faithful servant: Thou hast been faithful over a few things, I will make thee ruler over many things: Enter thou into the joy of thy Lord."

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Speaker, not too frequently is it that we find a man who makes an outstanding success of two careers. Such a man was John Foster Dulles in the field of law and in the field

of diplomacy or statesmanship. Most of his life was given to either one or the other of these worthy pursuits. From his young manhood we are told he studied with a great and particular interest the proper arts of diplomacy, the efforts to bring nations and men closer together, and to achieve peace on earth. To these good ends he devoted his years as Secretary of State.

During that period of service, Mr. Speaker, I am quite sure that we would all agree he grew in stature, and wisdom, and learning; certainly, he dedicated himself and his physical capabilities to the utmost to the service of our Government. Many of us who serve on the Committee on Foreign Affairs have seen him appear before that committee obviously suffering from great fatigue, but thinking that it was his duty as Secretary of State to make a report of what he had done to the representatives of the people. Hence, in spite of his fatigue he would appear and give us the benefit of knowledge and his thinking. He was a tower of strength in opposition to communism and in support of free men and free nations. He has been a very great Secretary of State.

We Hoosiers are all particularly proud of the fact that he did have Indiana forebears.

Our prayers and our sympathy go to his widow and the other members of his family.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished majority whip, the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, a great oak has fallen; one of the towering giants of our generation has passed on to join that group of immortals whose lives and works have been indispensable in the struggle for liberty down through the ages.

John Foster Dulles was a big man. To be with him was to sense the presence of greatness. He was big by any standards of measurement. In both private and public life he adhered at all times to the highest traditions of Christian morality. He was a man of enormous capacity. He had great and detailed knowledge of the things that were going on in this world. He knew the diplomatic problems of our country from one end to the other and around the world. He not only knew them, he understood them; he understood them in relation to our fight with atheistic communism. Certainly the great strides which this country has made in assuring for mankind human freedom in the years to come are linked closely and unmistakably to the service, work, and character of John Foster Dulles.

The whole world recognizes that it has lost one of its greatest servants and all men are grieved in that loss. I join all others here in extending to Mrs. Dulles and her children our deepest sympathy.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the Record.

The SPEAKER. Without objection, it so ordered.

There was no objection.

Mr. RAYBURN. John Foster Dulles was a man of character, and of great ability. His work was of worldwide importance and will live long. To his gracious wife I extend my sincerest sympathy.

Mr. KILBURN. Mr. Speaker, John Foster Dulles has an especially warm place in my heart. He certainly was one of the greatest Secretaries of State that this country has ever had. He not only had extreme ability but had courage to match it.

Before he went to Princeton he attended the high school in Watertown, N.Y., the biggest city in my district. His father was the minister of the Presbyterian church in that city and Mr. Dulles always throughout his life kept connection with us in northern New York. His summer home at Duck Island, in the Thousand Islands, was in my district and occasionally I used to fly up that way with him.

I remember the thrill I got when he was appointed to the U.S. Senate because I knew how ably he would represent our State. I never will forget last year when Mrs. Kilburn and I joined the President and Mrs. Eisenhower and the Dulles' on a trip on the St. Lawrence Seaway. At that time I had a visit with him and told him how much I resented the carping criticism of him from his opponents and assured him that every intelligent, patriotic citizen of this country realized what a great job he was doing for our country and I wanted him to know that. He replied that he never read criticisms of himself—how smart he was—that he just went along and tried to do the best job he could. Another thing that interested me was that when I said to him that I could not see how he could stand the long trips and the traveling he did, he replied, "Those long plane trips are the best rest I have. I have no trouble sleeping, no one can get me on the telephone, and I really rest."

He was a great man and I am glad that I knew him even slightly. Mrs. Kilburn and I extend our deepest sympathy to Mrs. Dulles.

Mr. ZABLOCKI. Mr. Speaker, I want to join with my colleagues in paying well-deserved tribute to the late Hon. John Foster Dulles. His tragic death has touched the hearts of the American people across the breadth and width of our continent. In his death, our Nation has lost a great American, and an experienced and devoted public servant.

There is little that I could add to what has already been said about Secretary Dulles' tremendous contribution to our Nation—a contribution which included his best efforts over a period of half a century. He was associated with the conduct of our foreign relations for more than 40 years. He began his service to our country in this field during the negotiations of the Treaty of Versailles, and he rose to become the Secretary of State. His efforts over the years left an indelible mark upon the policies of our country.

Years will pass before history will give its verdict of John Foster Dulles' stewardship of our foreign policy. At this

time, one thing is clear: He stood unbending under Communist pressure, working for the unity of the free world in the face of our common danger. He pursued the goal of world peace with singular determination, ignoring every personal cost and sacrifice.

Secretary Dulles' personal integrity and devotion to his work have won him wide acclaim. The tragic circumstances of his retirement stirred the hearts of his friends and foes alike. Today our whole Nation grieves at his passing away, and so do men everywhere who believe in justice and who strive for world peace.

I want to extend to Mrs. Dulles, and to all members of the Dulles family, my deepest sympathies. May they derive some measure of consolation in this sad hour from the thought that our Lord has called him to be among His very own.

Mr. HOEVEN. Mr. Speaker, in the passing of John Foster Dulles, the entire world mourns the loss of one of its greatest exponents for peace in our time. Posterity will long acclaim him for his untiring efforts toward a better understanding among the commune of nations.

John Foster Dulles was a fighter for the right. No one was more dedicated to those ideals and virtues which have made our beloved country the leader among the nations of the world today. He truly was a great statesman. Now he has gone to his deserved reward in "that house not made with hands, eternal in the heavens."

Mr. HENDERSON. Mr. Speaker, we are saddened by the news of the death of a great American, John Foster Dulles. Our sorrow at his passing weighs heavily upon us. We mourn a loss that is not only America's but is the loss of the entire free world. In the midst of our sorrow we are comforted somewhat by the realization that our moment of tribute here on the floor of Congress is directed toward a great, a noble, and an esteemed public figure. It gives each one of us a great sense of pride to know that we have been the beneficiaries of his outstanding career. His service ranks with that of our greatest names in American history. During his tenure in office, our Nation has been beset by difficulties—difficulties greater and more complex than any which has faced it. John Foster Dulles' service to his country which ended only brief weeks before his passing was concluded in an America stronger, greater, and with a higher reputation among the nations of the world than it had when he first assumed the office of the Secretary of State. The fact that the United States increased in stature in these perilous years is to a great extent attributable to the devoted service of our great Secretary of State.

His devotion to duty, his creed of service above self, to the end of his days, stand as an example of conduct for all men in public life. He leaves us a rich heritage, in a nation that is not only momentarily preeminent, but one which will continue in a position of world leadership, served by many in the Department of State and elsewhere throughout the Government who have been schooled and inspired by his example and precept.

The people of the 15th District of Ohio join me today in extending to Mrs. Dulles and to the Dulles family our heartfelt sympathy.

Mr. WEAVER. Mr. Speaker, along with every other American, I was distressed Sunday when I heard of the passing of our great statesman and Secretary of State, John Foster Dulles. America has lost a great and good servant; the free world has lost one of its most important leaders; humanity has lost the services of a fine and noble character and a dynamic fighter for freedom and human rights.

Mr. Dulles was a man of principle and integrity, a man whose dedication to America was second only to his dedication to the belief that war is not the only solution to human differences, that through undying and tireless effort, man can find a better solution. In his lifelong search for this solution Mr. Dulles had a fine disregard for the criticism and contumely so often heaped upon him personally by those who did not understand his principles and ideals or, understanding, for their own personal and selfish reasons, opposed them.

Few men in the history of our Nation have done so much and have given so completely of their time, talent and energy as did John Foster Dulles. When the final page of history is written, his name will loom large in his fight for freedom from war and freedom from individuals. His name already stands out in our own time in these efforts.

In closing, Mr. Speaker, I would like to extend to the family of this great man my own sincerest condolences and deepest sympathy, along with those of Mrs. Weaver.

This Nation has lost a great man, and so has the world. He will be sorely missed.

Mr. TABER. Mr. Speaker, I have known John Foster Dulles for more than 50 years. As a young man in his teens, his family moved to Auburn, where I live, and he lived about a block away from me.

Later on, I came to know him when he was the head of Sullivan & Cromwell, the largest law firm in New York City at that time.

At the end of the First World War, he accompanied his grandfather, John W. Foster, to Paris, and they were the ones who had charge of the drafting of the treaty of peace.

He quickly rose to a position of real eminence among the lawyers in New York, handling an enormous volume of very important cases.

In the last 15 years, he has spent most of his time in the public service, first assisting the State Department in its efforts to handle our foreign affairs. Among other things, he prepared and negotiated the treaty of peace with Japan. He became Secretary of State on March 4, 1953, and continued down to within a few days of his death.

He and his wife, Janet, have made a magnificent record for themselves in the work that they have done to promote the welfare of mankind and the peace of the world. I doubt if anyone in our history has ever accomplished so much to keep

the United States at peace and the world at peace.

My sympathy goes out to Mrs. Dulles and all of the family.

Mr. CURTIS of Massachusetts. Mr. Speaker, with a heavy heart I join in tributes to the late Secretary of State and expressions of sympathy to his family.

The memory of his life of service, and of his wise and firm leadership, will be a source of strength to countless of our citizens for years to come.

One of Secretary Dulles' last appearances on Capitol Hill prior to his relapse, was before the House Committee on Foreign Affairs. He impressed me as one of the best witnesses I ever heard. His answers to questions were frank, well expressed, and gave evidence of vast knowledge and great intellectual power.

On another occasion I heard him describe one way of dealing with the Soviets. It was to confront them with stern alternatives—so to arrange matters that if they were to gain a point, they would have to accept counteraction which would make the effort unprofitable.

His policies for meeting the Communist challenge were his greatest contribution. He was never taken in. He realized how useless and dangerous it was to place any reliance on Soviet fairness or collaboration.

He was not swayed either by Soviet threats or Soviet blandishments. He believed that if we negotiated from a position of strength, and a position of right, and stood firm, we would prevail. He had the courage to put these policies to the test, and they have won a large measure of success.

Mr. BARRY. Mr. Speaker, as previously stated on the floor of the House, at the time of Mr. Dulles' retirement as Secretary of State, I knew the Secretary as a man of deep spiritual conviction. Surely his magnificent contributions to our hope for a peaceful world were divinely inspired. His name will linger forever as a monument to justice, through strength, based on moral conviction. We have lost a great and good man.

Mr. PIRNIE. Mr. Speaker, the cause of freedom and justice throughout the world has lost its most devoted advocate in the death of John Foster Dulles.

Prompted by an inspiring family tradition and intensive study, this great man moved into a field of responsibility for which he had carefully prepared. His retentive mind amassed a background of tremendous knowledge, sifted by discriminating analysis and kept current by alert perception.

As a fulfillment of his own plans, yet with a timeliness of divine providence, he entered upon the world scene, as a fearless champion of peace and an unrelenting foe of communism. With rare courage and keen judgment, he continued his fight until struck down by his fatal illness.

As a fitting benediction, his last months, so racked with pain, were made more bearable by messages of admiration and gratitude from around the world. He died knowing that the life he had given to his country had become a sym-

bol of integrity of purpose in the resistance of the forces of evil. Just as his great energy and disarming mind provided inspiring leadership during his lifetime, so may his noble character and devotion to truth remain as a guiding spirit for our Nation in the years ahead.

His family will find consolation in his release from pain and justifiable pride in his enduring contribution to mankind. They will remember the intimate blessings of his unique personality within the family circle.

A great and good man has moved among us, leaving the impact of his mind and character upon the destiny of humanity. His principles are eternal, his fight will continue.

Mr. MACK of Washington. Mr. Speaker, John Foster Dulles was a good and a great man.

He gave the major portion of his adult life to fighting mankind's greatest enemy—war. During his 6 years as Secretary of State, the most troublesome and dangerous years internationally in our Nation's history, Secretary of State John Foster Dulles kept our people from involvement in armed conflict—an achievement that many 6 years ago predicted would be impossible.

He laid firm foundations for the future peace of our Nation and the world, and in so doing was a great benefactor of all mankind. His death was a great loss to our Nation and to the world. His accomplishments were great, and his tireless and ceaseless work for peace an example for future statesmen of our own and other nations to emulate. John Foster Dulles will be rated by historians as one of the greatest statesmen of his century.

Mr. OSTERTAG. Mr. Speaker, we have suffered the loss of a great American and Secretary of State with the passing of John Foster Dulles. Few men have dedicated their lives more earnestly and unselfishly to the cause of peace, freedom, and justice. The entire free world stands forever in his debt for the great courage, steadfastness, and integrity which he brought to the cause of freedom in these past 6 years.

Mr. Dulles, who grew up in my home State of New York, served our country in international diplomacy over a period of more than 50 years. He served with equal skill and devotion under many Presidents and many administrations of both political parties. Mr. Dulles was especially skilled in diplomatic negotiation, and one of his major achievements was the negotiation of the Japanese Peace Treaty even before he assumed the position of Secretary of State.

Mr. Dulles established a strong and firm position for dealing with communism throughout the world. He understood very clearly the cunning intellect and expansionist ambition of communism and set us on a firm course to meet these threats to democracy and freedom. He was a heroic fighter against tyranny.

With all this, Mr. Dulles was a Christian gentleman, a man of great moral integrity. He was a great American, a brilliant Secretary of State. His outstanding achievements will stand as a monument to his wisdom, devotion, and understanding. One of our best tributes

to him is our pledge of determination to remain on the course of strength and firmness which he has charted.

Mrs. KELLY. Mr. Speaker, the world was saddened by the death of John Foster Dulles. I join with my colleagues in expressing deep sympathy to his wife and family. His devotion to his family, to his country and to the peoples of the world was well known. His life's work was devoted not only to strengthening the family, but also to strengthening the family of nations. I trust the following prayer will give solace to his family:

We seem to give them back to Thee, O God, who gavest them to us. Yet as Thou didst not lose them in giving, so do we not lose them by their return. Not as the world giveth, givest Thou, O Lover of souls. What Thou givest, Thou takest not away, for what is Thine is ours also if we are Thine. And life is eternal and love is immortal, and death is only an horizon, and an horizon is nothing, save the limit of our sight. Lift us up, strong Son of God, that we may see further; cleanse our eyes that we may see more clearly; draw us closer to Thyself that we may know ourselves to be nearer to our loved ones who are with Thee. And while Thou dost prepare a place for us prepare us also for that happy place, that where Thou art we may be also for evermore.—Prayer used by Fr. Bede Jarrett, O.P.

Mr. MERROW. Mr. Speaker, John Foster Dulles is one of the greatest Secretaries of State in the history of the Republic. The United States and the free world have sustained a heavy loss in his passing. He is mourned all over the world by those who love freedom and cherish the ideals of liberty.

Secretary Dulles, who was a great diplomat, a statesman and leader, displayed unparalleled ability in shaping the foreign policy of the United States as an effective instrument in countering the expansion of international communism and the spread of tyranny. His positive approach to, and his intimate knowledge of, international problems enabled him to make an imperishable contribution to the welfare of all mankind. His penetrating understanding of world affairs, his deep analytical insight, his broad vision, and his completely unselfish dedication to public service enabled him to conduct the foreign affairs of the United States in such a manner as to be of enduring benefit to our country and to the free world.

His was a life dedicated to winning the peace. Secretary Dulles laid a sure foundation for the development of our policy in this nuclear era and the people of this generation, as well as those who are to follow, will always be indebted to him for his untiring labors in constructing a better world. His loss is universally felt but there is consolation in knowing that his achievements constitute a beacon of inspiration and hope for all those who love peace and freedom and who are dedicated to the continuation of the work which he so nobly began.

I extend my deepest sympathy to Mrs. Dulles and her family in their great loss.

Mrs. WEIS. Mr. Speaker, I should like to associate myself with all of the sentiments which have been expressed today regarding the passing of John Foster Dulles. My few remarks may not possess the eloquence with which he has

been eulogized by others; at this moment words do not come to me which adequately express the greatness of this man. It is enough, perhaps, to say that John Foster Dulles was one of that rare breed of men who, in the finest Christian tradition, find fulfillment in life by devoting their entire energies to the service of others.

Perhaps Mr. Dulles could have prolonged his life by retiring sooner. He chose not to do so. Perhaps he could have waged a more diligent battle against the cancer which finally claimed his life. He chose not to do so. Putting aside his own personal struggle for survival, he chose instead to engage in what he saw as the larger struggle for world peace and the survival of the dignity of mankind. He chose to sacrifice his life in the hope that others might be spared the necessity of living theirs under the heavy hand of Communist imperialism.

My sympathies go out to Mrs. Dulles and her sons, and to all the Dulles family, as they mourn his passing. But they can gain renewed strength in the knowledge that the work of John Foster Dulles will never be forgotten so long as those things for which he battled so valiantly remain a part of our way of life.

Mr. DADDARIO. Mr. Speaker, it has been said of John Foster Dulles that he never stopped fighting. He showed in his battle against death the same courageous will and determination that had marked his career of public service.

One cannot look at the biographical sketches of Mr. Dulles without being impressed by the lifetime of public service that he contributed to his Nation. A distinguished career in international law seemed just an apprenticeship.

The public image of Mr. Dulles was one of a man of moral righteousness, inflexible in negotiation, bound to legal skirmishing of an intellectual nature. There are elements of truth to this image. But there is nothing wrong about morally righteous faith in the good and the true. He believed that peace was a goal worth defining and insisting upon.

He established in the office of Secretary of State a precedent of personal diplomacy that seemed to fit the aerial times in which we live. He covered more than half a million miles during his time in the Cabinet, visiting our allies and meeting, face to face, those whose policies had created the situations he was enlisted to solve. It could be said that this weakened the network of Ambassadors, but it will be difficult for any successor to go back, in this age of swift, jet travel, to written communications to meet crises where action must be decisive.

If Mr. Dulles' travels and his difficult assignments took an increasing toll of his energies, you could not tell it from his high good humor in public. He maintained his interest and zeal in unflagging proportion. He seemed, at moments, to be racing against time in his pursuit of peace. He leaves a heritage of accomplishment to his successor, and a code of principles that deserves to be remembered. He will live on in memory as one who gave his life in the cause of

peace and his country. No greater tribute can be paid.

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, few men have had the privilege of being recognized for their greatness in their time. One of these few was John Foster Dulles.

History will bear out, I feel certain, that he has been the greatest Secretary of State in our Nation's history. Few men at any time have matched his keen intellect, his quick grasp of the realities of diplomacy, his forthright drive along the path to peace and world understanding.

Mr. Dulles was forced to compromise many times during his 6 years as Secretary of State, but he never compromised principle. He believed in the rightness of our cause, in the essential goodness and dignity of his fellow men. He had an unshakable faith that sooner or later the world would come to recognize these principles of freedom and individual choice as common goals, and that these goals would triumph over anti-hill societies which subjugate man to the role of tool to a central government.

It is interesting to note that most of Mr. Dulles' critics opposed not any lack of principle on his part, but rather his devotion to principle and moral courage. Some thought it more expedient to sacrifice some of these basic freedoms for short-range gains.

But none knew better than Mr. Dulles that it is possible to win a battle and lose a war in the field of diplomacy. He knew that hesitancy by our Nation to stand up for the things in which we believe at any point could only cloud our relations with those nations who depended on us for courageous leadership.

Mr. Dulles was an airborne leader, not a chairborne leader. Like any good general—and that is exactly what he was in our cold war struggles with the Communist world—he knew the value of surveying a situation at close range. He knew that an ivory tower existence for the Department of State would mean that theories would be developed which would have little or no relation to practical realities. He knew that the best way to find out what was going on was to have a look for himself.

His journeys by air took him more than a half million miles and to some 47 different countries. During these trips, he was able to talk over situations with his farflung Foreign Service officers and take up delicate matters directly with the heads of both friendly and enemy governments.

This new air-age concept of the role of Secretary of State no doubt will become accepted practice in the future, not only for our Nation, but for foreign ministers of many other nations as well.

Mr. Dulles has mapped out the strategy for our Nation to follow in its dealings with the Communist world. He has

plotted the courses for us in general terms which have proved their effectiveness against the Communist threat. He has shown our Nation and its people that we must deal with the sometime grim realities and practicalities of situations, but that we should never lose sight of our eventual goal of peace and freedom for the world.

The dedicated devotion which John Foster Dulles has shown to his Nation and its people is an object lesson to all of us. His brilliant mind, his indisputable logic, his quick grasp of the realities of a situation are traits which are all too seldom found in one individual. Mr. Dulles has achieved his goal of peace everlasting, and has made it easier for us to attain this goal here on earth.

Even some of Mr. Dulles' severest critics—such as the Washington Post—admired him. On the day following his resignation as Secretary of State, because of the spread of cancer through his body, the Post published an editorial which outlined many of his contributions to our Nation and the cause of world peace, the towering greatness of the man and his goals for world understanding.

[From the Washington Post, Apr. 16, 1959]

MR. DULLES AS SECRETARY

It is always sad when a valiant soldier must lay down his burden. The physical necessity for the resignation of John Foster Dulles as Secretary of State has been well understood, but the fact itself occasions a moment of extraordinary pathos. There were tears in President Eisenhower's eyes yesterday, and the sentiment undoubtedly was shared by many around the free world, not necessarily because they have agreed with Mr. Dulles, but because they have admired his courage and unswerving devotion to his principles.

Yet there must be great satisfaction to the outgoing Secretary that he leaves his office at a time when his reputation is at a pinnacle. The storms of previous years that blew around him have largely dissipated, and doubts and discord have been replaced with real affection—as much abroad as at home. No doubt much of this respect has been focused by Mr. Dulles' position on Berlin and the German problem. But much also has stemmed from recognition of his steadfast adherence to his convictions. Perhaps it took the Berlin crisis and Mr. Dulles' illness to demonstrate what a source of strength he has epitomized. He has been the towering figure, not merely in the Eisenhower administration, but also in the Western Alliance.

It is unnecessary, in a current appraisal of Mr. Dulles' 6 years as Secretary of State, to gloss over the points of past criticism. Mr. Dulles himself would not appreciate that. Some of the disagreements loom small in retrospect. Others represent basic differences of approach. On many points his strategy has seemed better than his tactics.

There was, for example, the much-publicized philosophy of brinkmanship, which Mr. Dulles himself must take responsibility for having advertised. Certainly it caused far more apprehension than public expression of the concept was worth, even as a tool for coping with the Kremlin's machinations. There was the doctrine of massive retaliation which, insofar as Mr. Dulles voiced it, has shown itself to be far from an adequate posture of defense. There was the flirtation with liberation, a phony partisan slogan which disclosed a scarcely creditable side of Mr. Dulles.

There also were such excesses of speech as the Goa statement, Mr. Dulles' various

pronouncements about neutralism and his occasionally effusive invocations of morality. There was the silly episode in which he refused to permit American reporters to go to Communist China. There were exercises in legalism and attempts to camouflage old policies with Madison Avenue veneer. There was the justified complaint that Mr. Dulles made too little use of staff and encouraged only negligible long-range planning.

But there also were moments of greatness, as when Mr. Dulles recommended the searingly difficult decision to oppose the British-French intervention at Suez. Having played a part in precipitating the crisis by the blunt manner of his withdrawal of help for the Aswan Dam, and having contributed to the estrangement of Britain and France, Mr. Dulles worked with enormous earnestness to heal the split and repair the damage. His course helped preserve the usefulness of the United Nations, and it may also have prevented world war.

After years of opposition to any acknowledgment of Communist China, last autumn Mr. Dulles did make a major change of policy by disavowing Chiang Kai-shek's ambitions on the mainland. The United States is not yet out of its dubious Quemoy involvement, but in the circumstances the Dulles stand seemed to deter Communist aggression. However unclear the purpose at the time, the American intervention in Lebanon brought a measure of stability in the Near East. Mr. Dulles also must receive applause for what in the net is a good record of economic responsibility in world affairs on the part of the Eisenhower administration.

Finally, of course, there is the issue of Germany. Mr. Dulles combined firmness on the military position with a willingness to discuss various possible approaches to larger agreement. In this he showed awareness of the importance of turning the onus on the Soviet Union. The recent squabbles among the Western allies illustrate how much Mr. Dulles is missed.

At the same time it can fairly be said that there has been no marked advance in the Western position under Mr. Dulles' leadership. He has been an apostle, as it were, of containment. The various pacts he erected in Asia and the Middle East—pactomania, his policy was called—were aimed at preserving the status quo. There is wide agreement with his thesis that the Communists will make trouble wherever there is weakness, but he displayed little or no initiative to try to roll the Communists back or negotiate a stabilization.

In part Mr. Dulles' approach has appeared to derive from his conviction that because communism is evil the Communist society eventually will crack up. There is little disagreement that communism is evil, but there is little evidence either, that the Soviet state is in fact cracking up. On the contrary, most of the evidence indicates that it poses an increasing challenge which is still too little appreciated in either economic or military terms.

There have been few settlements under Mr. Dulles, and in some places—notably in Indo-China in 1954 and now in Iraq—the Western interest has been set back. Yet containment, or preservation of the status quo, is no mean achievement. Perhaps it is all that could have been achieved. Mr. Dulles' approach has been essentially conservative, but it is useless to argue whether more initiative would have produced happier results. No one can prove his course wrong.

Certainly the Secretary demonstrated the capacity to grow in his job. He fought many unsung battles within the administration, on nuclear tests and other issues, without a word of complaint when his hand was suddenly weakened. If he continued to keep policy too much to himself, to be too much the lawyer engaging in brilliant impro-

visations, he refined many of his techniques and learned to avoid many of his earlier errors.

He won strong supporters among both parties in Congress after his initial experience in making concessions to the Republican right-wing irreconcilables which he probably did not have to make. He seemed to enjoy his frequent meetings with the press and was more adept than any other Cabinet member at using the news conference as a forum. Although he occasionally sacrificed both issues and personalities, he did a great deal to advance the acceptance of internationalism as permanent American policy.

Mr. Dulles learned early that no effective Secretary of State can expect to be popular. He had a curious affinity on many fundamental points, although neither may like the comparison, with his predecessor, Dean Acheson. Above all, he made broad use of a first-rate mind. Whether or not one concurred with his decisions, it was a joy to witness the exercise of his wit and intellectual power.

It is far too close to Mr. Dulles' service to evaluate the significance of his contribution with any depth of perspective. It is clear, however, that his retirement after a diplomatic career that goes back intermittently 52 years to the Hague Peace Conference of 1907 leaves a vast hole that cannot readily be filled. As he marshals his strength for what everyone will hope can be continued service as an adviser, he can be sure that his conscientiousness, energy and dedication have won him the profound gratitude of his countrymen.

Mr. DAGUE. Mr. Speaker, the Nation stands with bowed heads as we mark the passing of one of the greatest statesmen of our time and it is no small thing to have lived through the years when his contributions toward the peace and security of the world come to fullest flower.

To us who stand in sorrow at his bier it seems that his usefulness came to an end at the very time when he is needed most. And yet we are persuaded that as a great Christian layman he laid down his life quite content that he had done his best, and with confidence that succeeding generations would set their seal of approval on the dynamic program formulated under his direction which has kept us at peace for the last 6 years.

John Foster Dulles was a great man and his true greatness was revealed in that steadfast refusal to return in kind the vilification that was heaped upon his policies; that these detractors for the most part have reversed themselves and now acclaim him for what he was—the greatest Secretary of State in our time—indicates that in this first instance their opposition was largely political and not of the heart.

My admiration for our late Secretary became firmly established when he refused to retract his contention that the true art of diplomacy lies in the ability to skirt the brink of a world cataclysm without plunging in. In simple language this means that we must always be prepared to call the other's bluff—which under his leadership we did on several notable occasions—and the peace we enjoy today is attributable to that policy.

We stand with our President in salute as this great American is laid at rest in that sacred spot reserved for the Nation's heroes. And to his beloved wife and the members of his family goes our

deepest sympathy and the prayerful hope that his service to the world will be the shining light that will guide them along the pathway of sorrow which they now must tread.

Mr. COHELAN. Mr. Speaker, I wish to convey deepest sympathies to the family of John Foster Dulles—from my constituents in the Seventh District of California and for my family and myself.

We sense that people throughout the world, in a quiet moment, have paused to look toward Washington where John Foster Dulles has passed away. In that alone there is greater tribute than we can pay here.

**PUBLIC LAW 875, 81ST CONGRESS—
MESSAGE FROM THE PRESIDENT
OF THE UNITED STATES (H. DOC.
No. 157)**

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Public Works and ordered to be printed:

To the Congress of the United States:

I have the honor to transmit herewith a report of activity under authority of Public Law 875, 81st Congress, as amended, and required by section 8 of such law.

Funds which have been appropriated to accomplish the Federal assistance determined eligible under this authority are specifically appropriated to the President for purposes of disaster relief.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, May 22, 1959.

**WE MUST NOT LET THE RUSSIANS
WIN BY DEFAULT**

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, has our American Government departed from our traditional foreign policy of recognition of the right of all nations to national self-determination? At the Foreign Ministers meeting, no voice has been raised on behalf of the rights of the people of the captive non-Russian nations now illegally dominated and controlled by the Russians. Worldwide attention has been diverted from the plight of the enslaved nations. As a consequence, the enslavement of the captive nations is being accepted as status quo on a "de facto" basis. By our failure to insist that the status of the captive nations must be considered on the agenda, the Russians are winning a victory to maintain the status quo, by default. The Russians are trying to break the will to resist of the people in the subjugated nations. We must not, by default, or in any manner, assist the Russians in their determined efforts to

break the will to resist of the subjugated people.

I urge President Eisenhower to instruct Secretary of State Herter to demand that the Communist-enslaved non-Russian nations be permitted to determine their own destiny by the use of free elections, including multiple political parties, the secret ballot, together with international supervision to guard these basic requirements.

SUBCOMMITTEE ON IRRIGATION AND RECLAMATION OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent that the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent that a subcommittee of the Committee on Merchant Marine and Fisheries of the House may be permitted to sit in the city of Chicago, hold hearings and take testimony on the 26th, 27th, and 28th of this month during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1960

Mr. ANDREWS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7176) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1960, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Pennsylvania [Mr. FENTON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Alabama [Mr. ANDREWS].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7176, with Mr. ALBERT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ANDREWS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill provides funds for the Executive Office of the President and sundry agencies. There are 14 appropriation items in the bill.

Appropriation, 1959.....	\$12,644,870
Supplemental appropriations, 1959.....	520,500
Total available, 1959.....	13,165,370
Estimates, 1960.....	13,608,500
Recommended in bill.....	13,338,500
Recommended decrease in estimates.....	270,000
Increase over 1959.....	173,130

The committee is recommending the full amount requested in the budget estimates for all except two items. The two exceptions are the item for "Expenses of management improvement" and the item for "Salaries and expenses of the Subversive Activities Control Board." These items will be discussed in more detail in a moment, but it should be noted now that the reductions recommended by the committee will not in any way cut back on the work to be carried out under these funds in fiscal year 1960.

AVERAGE EMPLOYMENT

Average employment paid from funds included in this bill will decline from 1,623 in the current fiscal year to 1,561 in fiscal year 1960. This reduction of 75 in average employment was planned in the estimates submitted to the Congress in the President's Budget, and the committee has not recommended any further reductions in personnel. Significant reductions in average employment will occur: In the American Battle Monuments Commission—minus 42—as the construction program nears completion; and in the Foreign Claims Settlement Commission—minus 32—which will be completing action during fiscal year 1960 on five different claims programs.

THE EXECUTIVE OFFICE OF THE PRESIDENT

The committee is recommending the full amount requested in the budget estimates for the Executive Office of the President. This includes the compensation of the President, the White House Office, special projects, the Executive Mansion and Grounds, the Bureau of the Budget, the Council of Economic Advisers, the National Security Council, and the President's Advisory Committee on Government Organization. The total amount of \$10,255,500 is an increase of \$343,630 over the comparable amount for the current fiscal year. Practically all of this increase is required to pay increased salaries of existing employees, and there is no increase in average employment—988 in both 1959 and 1960.

EMERGENCY FUND FOR THE PRESIDENT, NATIONAL DEFENSE

The bill includes \$1 million, the amount requested for the item "Emergency Fund for the President, National Defense." There is some doubt that the use of this fund has been restricted to instances of bona fide emergency, but such a fund should be available in case a real need should arise.

EXPENSES OF MANAGEMENT IMPROVEMENT

The committee is recommending that no appropriation be made this year for the item "Expenses of management improvement." This recommendation is based entirely on the carryover of funds already available for this purpose. The budget document shows that an unobligated balance of \$211,000 will be on hand in this fund at the beginning of fiscal year 1960, and only \$161,000 is planned to be obligated during that year. Actual figures for the current fiscal year show that only \$89,928.91 was expended through the first 9 months, leaving an unexpended balance of \$336,193.85 in this fund as of April 1, 1959. Thus, it appears that the balance on hand will be more than adequate to take care of any requirements there may be in fiscal year 1960.

In the words of the Director of the Bureau of the Budget, "This is an appropriation aimed at saving money, not spending it." The committee recognizes the value of this program of management improvement, but can see no useful purpose in appropriating funds at this time "to restore unallocated funds to approximately the level of the original appropriation of \$500,000" as requested in the budget justification.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Iowa.

Mr. GROSS. Now, what has been accomplished substantially by the money that has been spent on this organization? I have read the hearings of the gentleman's subcommittee, and I cannot find where they can show any real accomplishment for the money expended and the money that you are presently making available as a carryover.

Mr. ANDREWS. I will say to the gentleman that the Director of the Budget stated that this is a very essential commission or agency and that it has resulted in substantial savings. He was asked to supply for the record a list of the savings achieved.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, that list is to be found on page 180, and one of the heaviest expenditures from this fund in the past has been \$207,721 for organization and management of the General Services Administration, and yet on page 181, where Mr. Stans submits the accomplishments, he neglects to say one word about the General Services Administration or any improvement in the management of the General Services Administration, among the so-called notable accomplishments that have accrued from this spending. Can the gentleman explain why?

Mr. ANDREWS. No; I cannot. I will say to the gentleman that the committee is not writing the budget request for this agency.

Mr. GROSS. That was by all odds the largest expenditure from this fund in the past, and yet it is not even mentioned. As a matter of fact, I think the gentleman is probably aware that the General Services Administration is today and has been hiring consultants to tell them what

to do about office space in the Federal Government.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. ANDREWS. I yield.

Mr. YATES. With respect to the appropriation item of \$10,255,500 for the Executive Office of the President, is this the highest amount ever appropriated for the White House?

Mr. ANDREWS. I think it is. I believe the gentleman from California will explain that item in his statement.

Mr. YATES. Is it higher than the amount appropriated for this office at the time Mr. Truman was President?

Mr. ANDREWS. It is my recollection that it is.

THE AMERICAN BATTLE MONUMENTS COMMISSION

An appropriation of \$1,295,000 is included in this bill for the American Battle Monuments Commission. This is the amount requested in the budget, and an increase of \$27,000 over the comparable amount for 1959. This appropriation finances all costs of operation and maintenance of the American military cemeteries and memorials located in foreign countries and two memorials erected by the Commission in the United States. Sixty-one installations in 11 foreign countries and the United States are involved.

The unobligated balance of funds heretofore appropriated for construction of memorials and cemeteries will be sufficient to complete the program. Average employment is decreasing, from 122 in 1958 to 85 in 1959 and to 31 in 1960. This decrease is partially offset by smaller increases in the operation and maintenance account, for an overall decrease of 42 in the American Battle Monuments Commission for 1960.

The committee has included new language beginning on page 6, line 13, which will permit the Commission to use a portion of the unobligated balance in the construction account for appropriate dedications of World Wars I and II memorials.

FOREIGN CLAIMS SETTLEMENT COMMISSION

The committee is recommending a direct appropriation of \$408,000 for the Foreign Claims Settlement Commission, to be augmented by \$50,000 from the war claims fund. Average employment will decline from 78 in the current fiscal year to 46 in 1960. The Commission is scheduled to complete its Soviet, Rumanian, Hungarian, Bulgarian, and Italian claims programs this summer. The major activity for fiscal year 1960 will be the comparatively small but technical Czechoslovakian program.

SUBVERSIVE ACTIVITIES CONTROL BOARD

The bill includes \$380,000 for the Subversive Activities Control Board. This is \$20,000 less than requested in the budget, and an increase over 1959 of \$5,000. This reduction is made possible by dismissal of one of the Board's cases since the budget was made up. The workload of the Board depends on the number of cases brought by the Attorney General or by organizations or individuals; the Board has no control over its own workload. The dismissal of this one case will

result in less cost of travel and may make it possible for the Board to get along with one less hearing examiner.

GENERAL PROVISIONS

The committee is recommending the continuation of several general provisions with no change from the present act. We have deleted the old section 208, which required the Bureau of the Budget to make an annual report to the Congress of operations under the Bureau's Circular A-45 which establishes a rent policy for quarters supplied to Federal personnel and sets forth certain procedures for the administration of rents and service charges for such quarters.

We have included a new provision in the bill, section 210, to eliminate annual agency reports under section 1311(b) of the Supplemental Appropriation Act, 1955. These reports were necessary to put section 1311 in effect and make it work, but have served their purpose and are no longer needed.

Mr. FENTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman and Members of the Committee, the chairman of our subcommittee, the gentleman from Alabama [Mr. ANDREWS], has explained the items contained in this bill and I join with him and the other members of the committee in urging its approval.

This is, as you know, the smallest of all our appropriations bills.

I enjoyed the hearings and was especially pleased to welcome three new members to the minority, Mr. WEAVER, of Nebraska; Mr. MINSHALL, of Ohio; and Mr. MICHEL, of Illinois.

We were also fortunate in securing the services of James Burris as our staff assistant and who as a first term member did a fine job.

The chairman, Mr. ANDREWS, as usual was most courteous to all of us as were all the members of the majority side.

The bill comes to you with a unanimous report of the committee.

I believe that most of the questions asked by the members of the committee received forthright answer from the witnesses; and, especially do I appreciate the manner in which Mr. Stans and his associates in the Bureau of the Budget responded to all the questions, as the record will show.

But as insignificant as this appropriation appears, and probably is, in respect to the billions of dollars handled in other subcommittees, there is one basic, fundamental item that to my mind is very important. I refer to the item that has to do with the work of the Subversive Activities Control Board.

I shall go into detail on the item a little later but will refer you to the hearings—pages 98 to 122, inclusive—which gives you a complete picture of the work that has been done by this Board and the obstacles that they have encountered.

The funds for the general Government matters bill for fiscal year 1960 as recommended by the Bureau of the Budget is in the amount of \$13,608,500. The Subcommittee on Appropriations granted the budget allowance in all in-

stances except two—namely, the item of \$250,000 for "Expenses of management improvement" which it disapproved in full and the Subversive Activities Control Board from a request of \$400,000 to \$380,000, or a cut of \$20,000.

The committee therefore allowed \$13,338,500 for all activities under the heading of "General Government Matters," which is an increase of \$173,130 over fiscal 1959 and \$986,130 over fiscal year 1958.

The increase in dollar requirements comes about in spite of continuing reductions in employment in the agencies included in this bill. As an example of the reductions in personnel which have been accomplished over the years, let me cite the case of the Bureau of the Budget. This Bureau has reduced its employment by approximately 100 positions in the last 8 years. If anything, its workload and the complex of the problems it must deal with have increased over that span of time. The agencies included in this appropriation bill are doing a difficult and most important job with an absolute minimum of personnel and operating expense.

As you know the agencies for which these appropriations are made are in the main in the Executive Office of the President which includes, of course, the compensation of the President, the White House Office, special projects, the Executive Mansion and grounds, the Bureau of the Budget, Council of Economic Advisers, National Security Council, and the President's Advisory Committee on Government Organization. These agencies were allowed a total of \$10,255,500 which is \$800,000 more than fiscal 1959.

Other funds requested in this appropriation is the usual \$1 million for the Emergency Fund of the President—which was allowed in full—and "Expenses of management improvement" for \$250,000 which the committee disallowed.

Therefore the funds allowed the President for his salary, Executive Offices and his Emergency Fund and his expenses of management improvement are \$11,255,500 out of a request of \$11,505,500.

GENERAL GOVERNMENT AGENCIES

There are three other agencies in this appropriations request, namely, the American Battle Monuments Commission for which \$1,295,000 was asked and allowed; the Foreign Claims Settlement Commission for which \$408,000 was asked and granted; the Subversive Activities Control Board for which \$400,000 was asked and \$380,000 granted, a reduction of \$20,000.

As heretofore stated the committee disallowed the \$250,000 requested for the item "Expenses of management improvement."

The original appropriation for this item was in 1954 in a supplemental request for \$500,000; in 1955 the second appropriation was made, via the independent offices appropriation of that year; the third appropriation for this item was made in 1957 through the General Government Matters Appropriations Act.

Nothing was appropriated in the years 1956, 1958, or 1959.

Each appropriation was made available until expended.

Consequently there is expected to be an unobligated balance of \$211,000 on June 30 of this fiscal year.

These funds are to enable the President to have studies conducted of the organization and operations of the executive branch and to develop and install improvements therein.

Since these appropriations were originated in 1954, 18 projects have been financed through authority of the Bureau of the Budget delegated by the President to that agency.

The Director of the Bureau of the Budget testified that—

A number of the projects have reached a point where accomplishments and savings, which are verified by the agencies concerned, can be identified.

Some of the accomplishments have resulted in definitely identifiable dollar savings. Others have provided improvements in the effectiveness and efficiency of Government agencies and have enhanced the capacity of executive officials to manage the programs for which they are responsible.

One of the accomplishments from one of the projects that have been completed is the recent reorganization of the Defense Mobilization and Civil Defense programs. The principal recommendation was that functions should be vested in the President which had been vested by statute in other officials of the executive branch and that a new agency should be established in the executive office of the President by the merger of the Office of Defense Mobilization and the Federal Civil Defense Administration. This agency would assist the President in formulating policies and coordinating planning for nonmilitary defense functions.

In April of last year, 1958, the President transmitted to the Congress Reorganization Plan No. 1 of 1958 which became effective on July 1, 1958. This new consolidation and merger is now known as the Office of Civil and Defense Mobilization.

Some savings have been affected by this consolidation but the long-run effect will be through reductions in expenditures made possible through the more effective carrying out of programs which had been insufficiently coordinated.

Five projects are currently under way and are expected to be completed in the near future.

Emphasis will be placed on those projects which will produce definite and identifiable savings or other concrete and measurable results.

Therefore, in view of the nature of this item it is not possible to indicate a specific program of matters that will be studied, specific allocations and agencies to which they may be made, or the manner in which particular studies will be conducted.

However, since the unobligated balance June 30 is expected to be \$211,000 and an estimate of \$161,000 is forecast for 1960 there would be a balance of \$50,000 at the end of fiscal 1960 if no new money was provided for 1960.

In light of the benefits to be derived from the management improvement pro-

gram there was some disagreement in the committee in denying the \$250,000 requested for 1960.

Of course, if the \$211,000 is insufficient then it would be necessary to come back for a supplemental.

SUBVERSIVE ACTIVITIES CONTROL BOARD

This Board made a request for \$400,000. The committee allowed \$380,000.

This Board was established by the Subversive Activities Control Act of 1950. It is composed of five members appointed by the President by and with the advice of the Senate.

Since 1951 the Board has received \$2,619,905 in appropriations. With the granting of funds for fiscal 1960 they will have received practically \$3 million to carry out the intent of the Subversive Activities Control Act.

The subcommittee is greatly concerned about the evident standstill that has resulted from the action of the Supreme Court in remanding the case to the Board on credibility questions involving Government witnesses, and in so doing, declined to pass on the constitutionality of the act.

As our report points out:

Pending final judicial determination on the basic question of constitutionality, the control board and the lower courts cannot proceed with other cases.

According to the information given us there have been 24 cases docketed from the inception of the Board to April 30, 1959.

Of these, nine have been dismissed, including the United Electrical, Radio, and Machine Workers of America, six on motion of the Attorney General, one dissolved by the State of New York, and two were dissolved before service.

Twelve cases were ordered to register as Communist front organizations. Eight of the cases are pending judicial review in the U.S. Court of Appeals for the District of Columbia Circuit.

Four cases were ordered by the Board in April of 1959 and have 60 days' time to file a petition for appellate court review.

Two cases are pending completion of hearings, and of course we have the case of the Communist Party versus the United States.

I should like to say a further word about the Subversive Activities Control Board. This Board serves in a quasi-judicial capacity in adjudicating cases brought before it under the Internal Security Act of 1950. The Board has no power to conduct investigations and initiate cases itself. The cases are brought by the Attorney General or by other organizations or individuals.

In its first case, that involving the Communist Party of the United States, the Board found that there exists a world Communist movement, substantially as described in the statute, organized and directed by a foreign government. The Board detailed the history of the Communist Party in the United States and its relation to the world Communist movement. The U.S. Court of Appeals for the District of Columbia Circuit affirmed the Board's order against the Communist Party and in so doing held

that all pertinent sections of the statute were constitutional.

The Communist Party case has twice been sent back to the Board. The first was a remand by the Supreme Court resulting from challenges to the testimony of three Government witnesses. The second was a remand by the court of appeals requiring the production of documents in line with the principles of the then recent decision of the Supreme Court in *Jencks* against United States.

After the remand proceedings, the Board in both instances reaffirmed its determination as to the Communist Party. The report of the Board on the second remand was issued and sent to the court of appeals on February 9 of this year. Work in connection with supporting and defending the Board's order through the appellate process, including ultimate decision by the Supreme Court, will be an important item in the 1960 fiscal year activities. It is only after the Supreme Court affirms the constitutionality of the statute and affirms the Board's determination as to the Communist Party that the full force of the statute comes into play. In other words, the act isn't in full play really until the Supreme Court has passed on the principal case against the Communist Party, because all the front cases presuppose that that has been the ultimate finding.

The committee is recommending an appropriation of \$380,000 to the Subversive Activities Control Board which is a reduction of \$20,000 in the estimate. However, the chairman of the Board in testimony before the committee indicated that this reduction was possible because of the dismissal of one of the major cases of the Board and that the remaining workload will be handled adequately with the reduced appropriation. The committee does not intend this action to restrict in any way the ability of the Board to carry out its responsibilities under the Subversive Activities Control Act and, in fact, is hopeful that the Supreme Court will take early action to rule on the question of constitutionality, thereby making it possible for the Internal Security Act to become effective.

From this history you can see how frustrating it must be—not only to the committee but to everybody concerned with this problem.

Until a decision is made by the Supreme Court so that the lower courts can act we will continue to have this problem of inaction.

In the meantime the Communists go merrily on with their dilatory tactics.

I believe that the Board has been doing a splendid job and I do not like to see it hampered.

EMERGENCY FUND FOR THE PRESIDENT— NATIONAL DEFENSE

The committee allowed the full amount requested—\$1 million.

These funds enable the President to provide for emergencies affecting the national interest, security, or defense at his discretion.

Consequently there has been disbursed to date \$885,000 of which \$300,000 is to be paid back by the State Department when they receive their supplemental appropriations.

The projects for which this money was used were:

First, Department of Commerce—December 20, 1958—\$60,000 to be used to make a study required by law—Public Law 85-880—of the extent to which the Federal Government should participate in the World Science-Pan Pacific Exposition to be held in Seattle, Wash., in 1961.

Second, Department of Defense—December 23, 1958—to cover expenses of the President's committee—Draper Committee—to study the U.S. military assistance program, \$400,000.

Third, Department of Commerce—January 15, 1959—to provide the Commerce Department with a staff of transportation experts to evaluate the Nation's transportation needs and problems, \$100,000.

Fourth, Department of State—February 17, 1959—to defray costs of participation in international conferences. These were not budgeted in their regular bill, \$100,000.

Fifth, Department of State—March 10, 1959—for the same purpose as the other, \$200,000.

Sixth, To Commission on International Rules of Judicial Procedure—to investigate and study existing practices of judicial assistance and cooperation between the United States and foreign countries with a view of achieving improvements, \$25,000.

With the allocation of \$885,000 it will leave a balance of \$115,000. However, with the State Department receiving its supplemental it will repay the \$300,000 utilized which will leave a balance of \$415,000.

It is my opinion that this fund is being carefully administered after hearing all the testimony.

AMERICAN BATTLE MONUMENTS COMMISSION

The American Battle Monuments Commission was granted the full amount of its request of \$1,295,000 for salaries and expenses.

Since their appropriations are continued and the construction program is virtually completed they have not asked for any construction money.

This is the 11th year of a construction program of U.S. military cemeteries in foreign countries and memorials to commemorate the services of the American Armed Forces in World War II at 15 locations in foreign countries. The program also includes memorials on the east and west coasts of the United States and in Hawaii.

The Commission estimates that the present program will be completed by April 1961, with all projects except the memorials in New York City and Hawaii to be completed by June 1960.

The estimated cost of construction has now been revised downward to about \$35 million as against the original estimate of \$39 million.

The unobligated funds for construction as of December 31, 1958 was \$4,238,664. Out of this balance, in addition to completion of construction it is estimated that \$160,000 could be appropriated and made available for necessary expenses of appropriate dedications of

World War I and II memorials, and so forth, in July 1960, the beginning of fiscal 1961.

Gen. Thomas North, the Secretary, and Col. Charles B. Shaw and their staff are to be commended for the fine work they have done.

One of the outstanding features of this program, to my mind, is the picture and pamphlet of the cemetery and grave of their loved one to the next of kin.

Thus far the commission has had requests for 3,754 pictures, many of them for cemeteries which are to be photographed this year. They have been able to send out and furnish 2,102. Many beautiful letters of acknowledgment and appreciation have been received from grateful recipients.

These American military cemeteries and memorials represent an investment of more than \$39 or \$40 million by the United States. The cemetery sites have been carefully selected and magnificently developed; the memorials and instructive and decorative features have been thoughtfully conceived by outstanding American architects and artists and have been skillfully executed. These peaceful cemeteries and impressive memorials constitute most appropriate commemoration of those American service men and women who have given their lives in the cause of freedom, as well as of the achievements of the American Armed Forces. They are viewed each year by thousands of visitors, a great many of them Europeans and people from other continents. They make a highly important psychological contribution to the furtherance of our international ideals, recalling so vividly as they do that our countrymen have paid the price in lives as well as in treasure. Their standard of maintenance evokes unvaryingly favorable comment and appreciation of the high regard paid by our Government to the memory of those who died in the service of their country.

There is included in the bill a new proviso which will permit the Commission to expend, not to exceed \$160,000 of the balance remaining in the construction fund for appropriate dedications. This proposal was not included in the original budget as submitted to the Congress but has been incorporated in this bill as the result of recent developments. The Commission and the President have recently agreed that arrangements should be made well in advance for the dedication of remaining overseas cemeteries in the summer of 1960. It will be important not to delay these dedications as construction will then have been completed; it will then have been 15 years since the end of the war; relatives are pressing the Commission for dates of dedication to permit them to make their plans; the lighting fixture presented by the Queen of Holland is being installed at Margarten and will be ready for the dedication ceremonies.

For these reasons the President has approved the Commission's proposal that \$160,000 of the balance in the construction fund be allotted to expenses for dedications and the committee has concurred in this recommendation.

PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT ORGANIZATION

This Commission was established by Presidential Order 10432 in January 1953, to advise him with respect to changes in the organization and activities of the executive branch of the Government which, in its opinion, would promote economy and efficiency in the operation of that branch.

Their request for \$57,500 was granted in full.

During 1958 fiscal year, and so far during the current fiscal year, several major organizational actions were taken in which this Commission has taken part.

Some of the reorganizations are:

First, Reorganization of the Department of Defense.

Second, Establishment of the National Aeronautics and Space Agency, replacing the National Advisory Committee for Aeronautics.

Third, Establishment of the Office of Civil and Defense Mobilization, merging and replacing the former Office of Defense Mobilization and former Federal Civil Defense Administration.

Fourth, Establishment of the Federal Aviation Agency replacing the Civil Aeronautics Administration, the Airways Modernization Board, and so forth.

The committee was assured by Dr. Flemming, the Chairman of the President's Advisory Committee on Government Reorganization, that there was no duplication whatever between the work of his committee and that of the work being done in the item "Expenses of management improvement."

NATIONAL SECURITY COUNCIL

The committee allowed the full budget estimate of \$792,000 for the National Security Council—an increase of \$32,600 over 1959 fiscal year.

This money takes care of structures under the National Security Council such as Council itself, the Operations Coordinating Board and the Planning Board.

COUNCIL OF ECONOMIC ADVISERS

The budget estimate of \$395,000 was allowed by the committee.

The Council of Economic Advisers analyzes the national economy and its various segments; advises the President on economic developments; recommends policies for economic growth and stability; appraises economic programs and policies of the Federal Government; and assists in preparation of the annual report of the President to Congress.

BUREAU OF THE BUDGET

The budget estimate of \$4,665,000 was granted in full by our subcommittee.

This is an increase of \$76,000 over the 1959 appropriation of \$4,051,970, and \$384,000 will be proposed as a supplemental appropriation to meet pay act costs.

This amount of money will allow the Bureau to continue with the same amount of personnel and positions as the current year and would pay for the additional day in 1960 over and above the number of days which occur in fiscal 1959, together with the full-year costs in 1960 of grade promotions made in 1959

together with the related costs such as contribution to the retirement fund.

I believe it is significant to note that there are the same number of people working in the Bureau as of the current year and 99 less than 10 years ago.

FOREIGN CLAIMS SETTLEMENT COMMISSION

The Foreign Claims Settlement Commission's estimate of \$408,000 for direct appropriations in addition to \$50,000 from the War Claims Fund was granted in full.

This is a reduction from the current year's appropriation of \$244,300 of which \$41,800 is attributable to reduced transfer from the War Claims Fund, and \$202,500 represents a decrease from the general funds of the Treasury.

Beginning on page 88 of the hearings you will find an account of the history of this Commission, the claims completed and from which funds they were paid; the current claims programs and the Commission procedures.

Also the various bills pending before the Congress.

This information was given by Mr. Whitney Gilliland, Chairman of the Commission before a Subcommittee on Interstate and Foreign Commerce of the House on April 16, 1959, about 2 weeks before testifying before our committee.

Scheduled for completion August 9, 1959, are five programs of claims; namely:

- First. Soviet.
- Second. Rumanian.
- Third. Hungarian.
- Fourth. Bulgarian.
- Fifth. Italian.

The major activity in fiscal 1960 will be the start of the Czechoslovakian claims program. The last date for filing is August 1, 1959.

Already, 3,800 requests for forms have been received and 712 claims have been filed for a total of approximately \$30 million.

This program is scheduled for completion August 1, 1962.

A staff reduction of 46 is contemplated.

Then there is the probability of nationalization claims of Americans against Poland and war damage claims against Germany and Japan.

In my opinion Mr. Gilliland and his staff have done a good job over the years.

Mr. MACHROWICZ. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. MACHROWICZ. I would like to ask a question of the gentleman with regard to section 202 of title 2 regarding which I spoke to him a few moments ago. That is the section which prohibits the use of any of the moneys appropriated herein for the payment of compensation to any employee of the Government other than a citizen of the United States with the four exceptions listed; and on page 9 one of the exceptions in line 5 is "or is an alien from the Baltic countries lawfully admitted to the United States for permanent residence."

I understand the Department of Agriculture has a shortage of veterinarians and wish to employ a certain number of Polish officers who are citizens of Poland, but who are veterinarians. The phrase "or from Poland" was not put in the bill.

The gentleman from Pennsylvania [Mr. BYRNE], was to offer an amendment to include the phrase "or from Poland", but I understand the amendment would not be germane.

I had the pleasure of discussing this matter with the gentleman from Pennsylvania, also the gentleman from Alabama [Mr. ANDREWS]. May I confirm the understanding that if such an amendment is offered in the Senate the gentleman from Pennsylvania would have no objection to its being included?

Mr. FENTON. I may say to the gentleman from Michigan that I appreciate the matter he speaks of, that he mentioned it to me just a moment or two before we began consideration of the bill. I have not had a chance to talk with the other members on my side of the committee. It has not been considered in the committee, and I just could not at this moment bind my fellow committee members. Personally I am not opposed to it.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. ANDREWS. The gentleman from Michigan and the gentleman from Pennsylvania discussed the matter of this language change with me. Should it be inserted during consideration of the bill in the Senate, as far as our side is concerned we would go along with it.

Mr. MACHROWICZ. I thank both the gentleman from Alabama and the gentleman from Pennsylvania.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mrs. CHURCH. I wish to direct the gentleman's attention to page 6 of the report and ask if he would be kind enough to explain the reasons for the proposed changes in existing law as contained on page 13, line 10, of the pending bill and reading as follows:

Sec. 210. (a) Section 1311(b) of the Supplemental Appropriation Act, 1955 (68 Stat. 830; 31 U.S.C. 200 (b)) is amended to read as follows: "Hereafter, in connection with the submission of all requests for proposed appropriations to the Bureau of the Budget, the head of each Federal agency shall report that any statement of obligations furnished therewith consists of valid obligations as defined in subsection (a) hereof."

Mr. FENTON. I might say to the gentleman from Illinois that that refers to a change which was suggested to our subcommittee. As I understand, the committee inserted this language to eliminate the annual agency report. The gentleman will find an explanation on page 5.

Mrs. CHURCH. Do I understand that this will in no sense weaken the obligation of the Executive Branch to report?

Mr. FENTON. I understand it will not weaken it at all. This really gets rid of a duplication of effort. It will eliminate a lot of extra work for the Bureau of the Budget and the agencies concerned. You will notice the following statement on page 5:

The proposition in the bill is to substitute for the present reports a simple report to the Budget Bureau, when submitting requests for appropriations, that statements of obligations furnished therewith consist of valid

obligations in accord with definitions in subsection (a) of Section 1311.

All they have to do is verify that the statements sent are true.

Mrs. CHURCH. Will the same complete statements be sent?

Mr. FENTON. As I understand it, that is so.

Mr. Chairman, I would like to take another minute on the Subversive Activities Control Board. This Board made a request for \$400,000 and was allowed \$380,000.

The Board was established by the Subversive Activities Control Act of 1950. It is composed of five members appointed by the President by and with the consent of the Senate.

Since 1951 the Board has received \$2,619,905 in appropriations. With the granting of funds for fiscal 1960 they will have received practically \$3 million to carry out the intent of the Subversive Activities Control Act.

The subcommittee is greatly concerned about the evident standstill that has resulted from action of the Supreme Court in remanding a case to the Board upon credibility questions involving Government witnesses and in so doing declining to pass on the constitutionality of the act.

Our report points out:

Pending judicial determination of the basic question of constitutionality, the Control Board and the lower courts cannot proceed with other cases.

According to the information given us, there have been 24 cases docketed from the inception of the Board to April 30, 1959. Of these, 9 have been dismissed, including the United Electrical, Radio, and Machine Workers of America; 6 were, on motion of the Attorney General, dissolved by the State of New York; 2 were dissolved before service, and 12 cases were ordered to register as Communist-front organizations.

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Chairman, I want to call the attention of the members of the Committee of the Whole to information contained on pages 124 to 147 of the hearings. Set forth on those pages are tables showing the cost of the operation and the upkeep of the White House and the various staffs assigned to work at the White House Executive Offices during the past 20 years.

The committee has given to the President, as has been customary, the amount he asked for.

During the past year or so there have been any number of articles written in various magazines and questions put forth by columnists, some of which I have noted, which asked questions about or commented on the increases in staff for and expenditures by the White House. It is not the desire of the committee at this time to belabor this point or to make a great issue of it, at least not until it can be reviewed and studied in more detail by the committee. The figures brought out are extremely interesting, partially due, of course, to the increase in the cost of materials and services over that period.

I cannot help but comment that in the services provided the White House there are any number of services which do not show in the White House budget. There are boats supplied by the Navy which are not shown specifically anywhere, either in the Navy budget or in the White House budget. It is somewhere in a lump sum in the Navy budget. There are planes and helicopters supplied by the Air Force which do not show in the Air Force budget specifically, nor are they shown anywhere, or is there any reference to them in the White House budget or the budget request. It is somewhere in a lump sum for transportation for the White House.

There are automobiles which do not show, there are individuals whose services are used, such as crews to man boats and men to man the planes, and mess attendants at the White House. All of these figures should be compiled and shown in the information supplied to the Congress by way of this committee. The Congress and the American public certainly should know every cent that goes directly or indirectly to the support of the White House, its maintenance, repair, travel funds, and repair and upkeep and manning of vehicles, staff and consultants, and all of the special funds in other appropriations used by the White House.

The figures produced by the reference section of the Library of Congress gave the committee a basis upon which to ask certain questions of the Director of the Bureau of the Budget who appeared on behalf of the White House to make the presentation on their request. He was asked to review these figures and submit his tables. Both tables are set forth in the hearings for the first time for the use and information of the general public to the extent that we were able to adduce them at that time. And, I am sure that the committee next year will want to go further into this matter and develop some of these figures that do not show anything in these specific budgets. I call that to your attention simply to point out that the cost of government is increasing just as much at the White House as people say it is increasing in other fields of government.

Mr. FENTON. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. WEAVER].

Mr. WEAVER. Mr. Chairman, it is with real pleasure that I rise today to support passage of H.R. 7176 without amendment. Known as the general Government matters bill, this provides funds for the Executive Office of the President, as well as for a few other independent agencies.

First of all, let me say that my service on the subcommittee handling H.R. 7176 has been a most pleasurable one. The committee chairman, the Honorable GEORGE ANDREWS, of Alabama, has served capably and well and with complete fairness to all members of the committee whether in the majority or minority. I consider myself fortunate, indeed, to have worked under his leadership.

The bill was thoroughly discussed in committee. Every item was pored over by committee members and the staff. We

feel that we have come up with a good bill, one which provides an adequate amount of money for the various offices concerned, and one which provides at the same time a considerable saving, in percentages, to the taxpayers.

As is noted in the report accompanying H.R. 7176, we have made several reductions from the budget estimates. These reductions were made with some hesitation and only after careful study. The principal reduction was in funds for the Battle Monument Commission and the Foreign Claims Settlement Commission, both of whose workload is fast diminishing.

Additionally, we trimmed some \$250,000 from the budgetary requests made by the Executive for the operation of these offices. This money came from requests for management improvement surveying. It is not that the committee felt this is not a worthwhile project, but rather because we found that the Executive Office already had sufficient funds in a carryover status available for this project.

Witnesses appearing before the committee could not justify additional funds of this kind in view of the carryover.

The total for this bill is \$13,338,500, an increase of \$173,130 over the 1959 fiscal year figure. This is a reduction of \$270,000 from the President's requests. I have already outlined the areas in which cuts were made.

I would also like to bring to the attention of the House one other item which, although it does not appear in this bill, is still of considerable interest to the taxpaying public. This involves the methods selected for guarding certain sections of the Executive Office Building. The National Security Council area of this building is guarded by the General Services Administration—and its costs are contained in that appropriations bill. However, another small portion of the building is guarded by personnel hired for that purpose by the White House Police Force and are part of that contingent. It seemed odd to the committee that it would be necessary to guard one portion of the building with men hired by one agency, and other part of the same building by men hired by another agency and wearing different uniforms. The discrepancy becomes particularly apparent when we discover that there are no more secret or confidential papers contained in the one section than in the other.

In closing I would like to ask for wholehearted support for this bill. I think it has been cut where cuts were found to be necessary by the committee. I do not think further cuts would be justified, nor do I think any of the figures contained in the bill should be increased.

I urge its passage.

COMPARATIVE COST DATA ON THE PRESIDENCY AND FUNCTIONS RELATING THERETO, FISCAL YEARS 1938-60

(Prepared by the Library of Congress)

The data relating to Executive Office of the President in the tables showing appropriations and number of positions was secured from annual budget documents and appear to be accurate. However, there are a num-

ber of points about the report which should be considered.

We believe comparisons of 1960 estimated appropriations and number of positions with those for 1938 are of doubtful value. The problems faced by the Federal Government today are of such greater magnitude that comparison of the Executive Office of the President of today with that of 1938 is of little more than academic interest unless the reasons for the change in the Executive Office are also analyzed. Population increases, the tremendous advances in science, threats to our security, and the greatly increased role of the United States in world affairs, are a few of the changes since 1938 which necessarily make the role of the Federal Government, and the Executive Office of the President, radically different from what it was in 1938. Changes of this nature account in large measure for increases in White House staff and White House Police, as well as for the addition of other units to the Executive Office of the President.

There is another possible reason why White House office appropriations and personnel have increased substantially since 1938. Although we are unable to document it, veteran Bureau of the Budget employees state that until 1947 the White House secured a large proportion of its staff by detail from other agencies. These employees were paid from appropriations to the agencies providing the personnel to the White House. The substantial increase in the White House appropriation for 1947 over 1946, from \$342,588 to \$883,660, and in number of positions, from 52 to 210, would appear to support statements that large details of personnel to the White House had previously been the practice. Appropriation hearings and committee reports are silent as to the reason for the increase in 1947.

The report also notes that personal services cost for the White House office has increased 16 times and for the White House Police 7 times since 1938, without mentioning the substantial salary increases that have occurred. The fact that White House office personnel have increased only six times and White House Police personnel only two and eight-tenths times is a measure of the effect which salary increases have had in increasing appropriations. Using data on tables 2, 3, 5, and 6 of the Library of Congress report, average salary for 1938, 1952, and 1960 has been computed for White House office and Executive Mansion and grounds by dividing number of positions into personal services cost. From these average salaries we obtain percentage increases in average salary, 1960 compared to 1938 and 1952, as follows:

	Average salary			Percent increase	
	1938	1952	1960	1960 over 1938	1960 over 1952
White House office.....	\$3,206	\$5,541	\$7,166	123	29
Executive Mansion and grounds.....	1,844	3,570	5,036	173	41

On page 4 of the report, there is a table showing appropriations and number of positions for 1938, 1952, and 1960 for compensation of the President, White House office, Executive Mansion and grounds, and White House Police. Included in the White House office total for 1960 is the special projects appropriation. These are described as funds appropriated for the immediate support of the President and his staff.

It is our view that a comparison based on total Executive Office of the President appropriations and personnel provides a better measure of increases or decreases in presidential staff than does a comparison using

only certain portions of the Executive Office. Each President tends to organize and use the Executive Office somewhat differently so that comparisons of appropriations and personnel have some validity only if comparisons take into account the total Executive Office. However, we believe that it is appropriate to exclude from this comparison the Federal Civil Defense Administration, which is now a part of the Office of Civil and Defense Mobilization, but in 1952 was a separate agency outside of the Executive Office.

Attached is a table prepared on a total Executive Office basis, comparing 1938, 1952, and 1960. The figures used are those contained in the Library of Congress report, except for the addition of two accounts, the emergency fund for the President and the President's Committee on Fund Raising in the Federal service. This table indicates that the number of positions in the Executive Office, excluding the recently added Federal Civil Defense Administration positions, has declined by 96 since 1952.

EXECUTIVE OFFICE OF THE PRESIDENT

Appropriations and number of personnel, fiscal years 1938, 1952, and 1960

	1938		1952		1960 (estimate)	
	Appropriations	Number of positions	Appropriations	Number of positions	Appropriations	Number of positions
Compensation of the President.....	\$75,000	1	\$150,000	1	\$150,000	1
White House office.....	211,380	45	1,883,615	261	2,221,000	272
Executive Mansion and grounds.....	210,098	57	335,600	71	475,000	72
White House Police.....	150,650	60	652,000	170	1,055,000	170
Bureau of the Budget.....	220,000	45	3,608,000	515	4,665,000	435
Council of Economic Advisers.....	-----	-----	341,800	47	395,000	31
Emergency fund for the President.....	-----	-----	5,580,100	182	1,000,000	15
National Security Council.....	-----	-----	160,000	23	792,000	77
National Security Resources Board.....	-----	-----	1,627,000	135	-----	-----
Office of Defense Mobilization.....	-----	-----	1,711,250	199	-----	-----
Office of Civil and Defense Mobilization.....	-----	-----	-----	-----	86,970,000	1,768
Special projects.....	-----	-----	-----	-----	1,500,000	101
President's Advisory Committee on Government Organization.....	-----	-----	-----	-----	57,500	5
President's Committee on Fund Raising in the Federal Service.....	-----	-----	-----	-----	49,000	4
Total.....	867,128	208	16,049,365	1,504	99,329,500	2,941
Deduct: Civil defense activities.....	-----	-----	-----	-----	-84,685,000	-1,533
Total, adjusted for comparability.....	867,128	208	16,049,365	1,504	14,644,500	1,408

¹ Represents average number of personnel on a full-year basis; number of positions not available.

² It is estimated that 235 positions and \$2,285,000, the amount of the 1959 Office of Defense Mobilization appropriation, are applied to functions of the former Office of Defense Mobilization.

Mr. ANDREWS. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, in 1950 the Congress of the United States passed the Internal Security Act of 1950. Section 2 of the act set out the reasons for its enactment. I shall just read you very briefly one of the reasons which, to my mind, is paramount and sufficient:

The Communist organization in the United States, pursuing its stated objectives, the recent successes of Communist methods in other countries, and the nature and control of the world Communist movement itself, present a clear and present danger to the security of the United States and to the existence of free American institutions, and make it necessary that Congress, in order to provide for the common defense, to preserve the sovereignty of the United States as an independent nation, and to guarantee to each State a republican form of government, enact appropriate legislation recognizing the existence of such worldwide conspiracy and designed to prevent it from accomplishing its purpose in the United States.

That is the purpose of the Internal Security Act of 1950 as declared by the Congress of the United States. The act required the registration of Communist organizations under certain circumstances. It required the registration of members of a Communist organization under certain circumstances. It then created the Subversive Activities Control Board to determine when those circumstances had been established and when there should be registration. The operation of that Board has cost the people of the United States approximately \$400,000 a year. The appropriation for the Board in this bill is \$380,000.

Now, to tell you just what happened, I shall not use my own language, but I shall quote a Justice of the Supreme Court. I shall read to you from the dissenting opinion of Mr. Justice Clark, with whom Mr. Justice Reed and Mr. Justice Minton concurred, in the case of Communist Party of the United States of America, petitioner, against Subversive Activities Control Board. Mr. Clark said:

On November 22, 1950, the Attorney General petitioned the Subversive Activities Control Board for an order directing the Communist Party to register as a Communist-action organization, pursuant to the provisions of the Internal Security Act of 1950. On April 20, 1953, the Board unanimously directed the Communist Party to register, finding "upon the overwhelming weight of the evidence, * * * [the Communist Party] is substantially directed, dominated, and controlled by the Soviet Union * * * and * * * operates primarily to advance the objectives of such world Communist movement."

Nearly 2 years later, while the matter was before the Court of Appeals, the Communist Party filed a motion for leave to adduce additional evidence under section 14 (a) of the Internal Security Act.

The "new evidence" attacked the credibility of witnesses Crouch, Johnson, and Matusow, 3 of the 22 witnesses for the Government. The motion charged that Crouch and Johnson had perjured themselves in their testimony in such other cases as *United States v. Kuzma*, *United States v. Bridges*, *In re Bruck*, and *United States v. Weinberg*. It also charged that Matusow had recanted his testimony in Communist cases and was writing a book entitled "Blacklisting (or Blackmailing) Was My Business."

The Board opposed the motion, stating that the testimony of the three witnesses

could "be ignored in toto and the ultimate determination * * * will remain amply supported by evidence both testimonial and documentary in character * * *. The [Communist Party] would still be found a Communist-action organization by overwhelming evidence."

The Court of Appeals denied the motion without opinion.

The Communist Party brought the case here on April 13, 1955, by petition for certiorari. The relative unimportance of this motion in the eyes of the party is shown by the fact that its 131-page petition devotes but 2 pages to a discussion of this point. The party's brief devotes only 4½ of its 270 pages to the motion. Still the Court now says the Court of Appeals "erred" in its denial of the motion and remands the case directly to the Board for it to determine again the credibility of these three witnesses. It refused to pass on the important questions relating to the constitutionality of the Internal Security Act of 1950, a bulwark of the congressional program to combat the menace of world communism. Believing that the Court here disregards its plain responsibility and duty to decide these important constitutional questions, I cannot join in its action.

Then again the decision continues:

I abhor the use of perjured testimony as much as anyone, but we must recognize that never before have mere allegations of perjury, so flimsily supported, been considered grounds for reopening a proceeding or granting a new trial. The Communist Party makes no claim that the Government knowingly used false testimony, and it is far too realistic to contend that the Board's action will be any different on remand. The only purpose of this procedural maneuver is to gain additional time before the order to register can become effective. This proceeding has dragged out for many years now, and the function of the Board remains suspended and the congressional purpose frustrated at a most critical time in world history.

Ironically enough, we are returning the case to a Board whose very existence is challenged on constitutional grounds. We are asking the Board to pass on the credibility of witnesses after we have refused to say whether it has the power to do so. The constitutional questions are fairly presented here for our decision. If all or any part of the act is unconstitutional it should be declared so on the record before us. If not, the Nation is entitled to effective operation of the statute deemed to be of vital importance to its well being at the time it was passed by the Congress. I would decide the questions presented by this record.

That was the statement of the minority decision of the Supreme Court. What happened? The case was remanded to the Board which expunged the testimony of the three witnesses and redecided the case. It was again appealed to the Circuit Court of Appeals. While pending decision there the Supreme Court decided the case of *Jencks* against United States. In accordance with this decision the Circuit Court of Appeals again remanded the case to the Board. The Board has now decided it for the third time, and it is again on its way back to the Supreme Court and a decision is hoped for in 1960, 10 years after the passage of the law.

What has been the effect of this decision? Let me read you from the testimony adduced before our committee. Mrs. Dorothy McCullough Lee is the Chairman of the Subversive Activities

Control Board. On page 118 of the testimony is this question:

Mr. GARY. Mrs. Lee, I understand that because of the decisions of the U.S. Supreme Court you are now operating in an atmosphere of uncertainty, suspension, and hopelessness. Is that correct?

Mrs. LEE. Sir, I would say that ever since I have been on the Board—and I went in on September 1956—it has been an atmosphere of uncertainty, but as far as I am concerned I have never felt any hopelessness about it. It seems to me that the purpose behind the Internal Security Act of 1950 as it affects this Board, the purpose of Congress was a very effective one; the purpose of revelation; the purpose of registration in the war against internal communism.

Mr. Chairman, then I said, "Unless the act is declared constitutional your work is hopeless." And she said, "It is difficult to anticipate that decision."

Then I said, "Let us say then confusion and frustration."

She admitted, "I would not say there was no frustration, sir."

Mr. Chairman, I have in my hand a clipping from yesterday's paper in which it says that two additional sources warn against the Communist activities in the United States.

Senator EASTLAND, chairman of the Senate Internal Security Committee, released a documented staff study Saturday saying the Comintern has been revitalized as the "Conference of Communist and Workers' Parties."

Another warning of the Communist threat came from FBI Director J. Edgar Hoover, who said:

Communists in the United States have renewed their drive to form a new youth group and to infiltrate basic American industries.

Mr. Chairman, I maintain the only conclusion that can be drawn from this record is that the Supreme Court of the United States fiddles, and the Subversive Activities Control Board cools its heels while America burns.

Mr. FENTON. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I am disappointed in this bill in that the President did not set the example of cutting back rather than calling for increased expenditures for the White House as compared to a year ago. Certainly this appropriation bill is less than the budget estimates, but it is an increase over the moneys appropriated for this purpose a year ago. I am disappointed that the President of the United States did not set the example of cutting back expenditures in his own shop.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. FENTON. The gentleman realizes, of course, that many of these increases are due to increases in salaries.

Mr. GROSS. Yes, and I will say to the gentleman that the White House staff, it seems to me on the basis of the evidence adduced at your hearings could very well have cut back on some of the personnel employed over there to take care of the salary increases, with something to spare.

Now, I would like to ask the chairman of the committee a question. Am I cor-

rect in that \$400,000 was taken from the President's emergency fund to finance the so-called Draper report?

Mr. ANDREWS. Approximately that amount.

Mr. GROSS. I thank the gentleman.

Mr. ANDREWS. And if you will read the report, you will note that the committee raised the question as to whether or not the fact was that there was an emergency within the meaning of the law. But, after all, the President is the sole judge of what that money is to be spent for and how it shall be spent.

Mr. GROSS. I will only say to the gentleman that I have a couple of amendments when we come to the consideration of the bill under the 5-minute rule, and I will go into that further at that time.

Now I do want to call attention to the Council of Economic Advisers. I believe that there is \$395,000 appropriated for the Council of Economic Advisers in this bill; is that correct?

Mr. ANDREWS. It is \$393,000.

Mr. GROSS. Yes, that is \$393,000 for the Council of Economic Advisers with three members of the council being paid \$20,000 per year and according to your hearings, it is probably one of the highest paid outfits in the Government man for man and person for person, and yet we find on the White House staff in addition to the Council of Economic Advisers, two or three more economists. Now, how in the world can you justify the maintenance of a Council of Economic Advisers, reporting directly to the President, three of whom are paid \$20,000 a year, and still have two or three economists on the White House staff. I just do not understand it.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. MICHEL. The gentleman made a point of the increase in salaries for the Council of Economic Advisers which the President has had over a number of years. Some of these increases certainly emanated from the executive pay raise bill which was approved and authorized by the gentleman's own Committee on Post Office and Civil Service.

Mr. GROSS. Does the gentleman not think that the President with three \$20,000 a year men, plus 11 economists on top of the 3 top people, plus the hire of consultants, is rather excessive? Does not the gentleman feel the President could well dispense with the economists on his staff?

Mr. MICHEL. I think the Council of Economic Advisers serves a very useful purpose. I believe the President should be counselled in this regard and that he has need for them.

Mr. GROSS. There is no question but what he needs economic advisers, but does the gentleman not think that somewhere down the line on this item the President could effect some economies?

Mr. MICHEL. The President has effected economies. If the gentleman will yield further I would like to point out to him that there are as a matter of fact fewer employees at the White House now

than there were back in 1953 when he assumed the office.

Mr. GROSS. I cannot argue with that, but at that time we did not have a \$288 billion public debt.

I just happen to think that with this huge staff of economic advisers the President does not need others on his personal staff probably drawing \$20,000 or \$22,000 a year.

Mr. FENTON. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. It was not my intention, Mr. Chairman, to take the time of the Members of the House during general debate on this bill, for I thought the committee was in pretty unanimous agreement. I do, however, want to point out some very significant figures that I think have a place in this debate. As I pointed out to the gentleman from Iowa there has been an increase in the average salary of White House personnel from an average of \$5,441 in 1952 to an average of \$7,166 in the projected year 1960. This comes about as the result of some of the actions we have taken here on the floor of this House of Representatives in raising salaries of civil service employees generally.

Then when you take into consideration the Executive Mansion and the grounds, and the increase in salaries that must be paid to the employees tending the mansion and grounds, there has been an increase from an average of \$3,570 in 1952 to an average of \$5,036 in the fiscal year 1960.

However, the number of employees at the White House has actually decreased from 1,504 in 1952 to a total of 1,408 in the fiscal year 1960.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. WEAVER. Will the gentleman kindly tell us the source of the information he is using for the year 1960 and the year 1952?

Mr. MICHEL. My source is the Library of Congress as shown in the hearings on this bill, page 138 of the printed hearings.

I would like to remind the Members of this House that we are experiencing the same thing right here in the House of Representatives in the care and upkeep of the Capitol grounds and in the increases in the salaries of the employees here. Do you gentlemen realize that the Congress had as of January 31, 1959, 1,081 more employees than on June 30, 1954?

In 1953 it cost something like \$23 million for the operation of the House of Representatives; in 1958 it cost us something like \$39 million. This reflects the increased cost of government. It not only affects the White House but also affects us here in the Congress.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. PELLY. Referring to the question raised by the gentleman from Iowa [Mr. GROSS] with regard to economists, I wonder if the gentleman will agree that the end result of the employment of

these economists actually reflects a savings of billions of dollars in our continuing fight against inflation.

Mr. MICHEL. I would certainly agree with the gentleman 100 percent. As a matter of fact, on the subject of management improvement again, while some of the remunerative benefits are not shown in black and white, in dollars and cents values, it is good business practice. Private industry realizes the savings that can be effected by the retaining of good management counselors.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. O'HARA of Michigan. Is it the gentleman's understanding that the appropriations requested for the administration of the White House have increased each year since 1953.

Mr. MICHEL. Yes; I believe in a general sense it has increased slightly up to the point I mentioned for today. But I would remind my friend that if he would care to go back 15 or 20 years he would find a steady increase of much greater proportions through the Roosevelt and Truman administrations.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ANDREWS. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. O'HARA].

Mr. O'HARA of Michigan. Mr. Chairman, I would like to ask the gentleman from Illinois if it is not a fact that there has been a yearly increase in the White House budget, and yet every year they have come in for supplemental appropriations?

Mr. MICHEL. Yes; but I do not know that there has been an increase every year, certainly in some years it has been more than others, but the same thing is true in the case of every agency of the Government, they have come in for supplemental appropriations also. I will say this last one was due to the salary increases which the Congress itself authorized.

Mr. O'HARA of Michigan. Does the gentleman not feel this is a rather poor example of economy? Should we not have a better example from the White House?

Mr. MICHEL. I would simply say to the gentleman that I think the White House has done much better than we have done right here on the Hill.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

President's Advisory Committee on Government Organization

Salaries and Expenses

For necessary expenses of the President's Advisory Committee on Government Organization, established by Executive Order 10432 of January 24, 1953, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed \$50 per diem for individuals, \$57,500.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: On page 4, strike out all of lines 9 through 17.

Mr. GROSS. Mr. Chairman, I offer this amendment simply to get rid of what I consider a perfectly useless setup in the White House. I refer to page 9 of the hearings where Mr. ANDREWS, chairman of the subcommittee, tried hard to find some reason for the continuance of this particular group. He could not.

Let me read to you some of the testimony given before the committee. This is Mr. ANDREWS addressing his questions to Mr. Flemming, who apparently is Chairman of this President's Advisory Committee on Government Organization:

Mr. ANDREWS. Could you give us some opinions as to how much, if anything, has been saved the taxpayers by the operation of this Committee?

Mr. FLEMING. Mr. Chairman, I could not.

Mr. ANDREWS. You stated that one of your major actions was in connection with the reorganization of the Department of Defense. Do you think it has been reorganized in such a way that savings have accrued to the taxpayers?

Mr. FLEMING. Mr. Chairman, I would not make that allegation. I do not think it is possible to support a statement one way or the other regarding it.

Mr. ANDREWS. Could you give an example of one instance like that?

Mr. FLEMING. I do not think I could offhand.

Nowhere in the testimony given before the subcommittee is there any real substantiation for the need or necessity for this so-called advisory group or of any substantial contribution that it has made to governmental reorganization.

Mr. Chairman, I am not going to belabor the issue. I just think this is an excellent place to save \$57,500; therefore I urge the adoption of my amendment.

Mr. FENTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa [Mr. GROSS].

Mr. Chairman, this Advisory Committee was requested by the President himself, and I would say that its continuance, as stated by Mr. Flemming, in our hearings would depend entirely on whether or not a President of the United States felt that such a Committee would be of help to him in considering the various reorganization matters he is called upon to consider. The President apparently feels that he has a need for this Committee. He has felt it has been helpful to him. Another President may not think the same way and that would be his privilege.

Mr. Chairman, this amendment would hamper the President and is not altogether in conformity with the real reasons this Committee was created.

I therefore ask the Committee of the Whole to reject the amendment.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Illinois.

Mr. MICHEL. This is one of the very few agencies which has not requested an increase in appropriations over what we allowed them for fiscal 1959?

Mr. FENTON. That is right.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Nebraska.

Mr. WEAVER. Is it not true Mr. Flemming and his agency also was the only agency within the appropriation under consideration that reduced the number of its employees?

Mr. FENTON. Yes.

Mr. WEAVER. It was only by one, but that is very important.

Mr. FENTON. That is right.

Mr. GARY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is not often that I oppose my very warm friend, the gentleman from Iowa [Mr. Gross], particularly when he is trying to strike out expenditures of the Government. At the same time, I think it ought to be borne in mind in this instance that this is the Committee which was headed by Mr. Rockefeller up until the time he resigned to run for Governor of the State of New York. The duty of this Committee is to advise the President on Government organization or really reorganization. We have frequently had reorganization of the Government in the past. Some of it, I think, has been very helpful. I am not certain that all of it has. But, to keep our Government modern it is necessary for someone to constantly be on the alert to watch opportunities to consolidate agencies, to consolidate activities, and to bring about changes in the organization of the Government which will promote efficiency of administration and economy in the handling of governmental activities.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I will be glad to yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman know whether Dr. Flemming has used any of the funds of this Advisory Committee in the past or whether he will in the future to promote the career executive service, the elite corps in Government that he would like to put over? Would that be one of his organizations?

Mr. GARY. If so, I will join the gentleman in trying to block it when it comes to the floor of the House. But, Dr. Flemming has succeeded Mr. Rockefeller as the Chairman of this Committee, and I assume that the funds of this Committee will be used only for purposes of inquiring into proper reorganization of Government and to advising the President as to what changes he can make to promote the efficient and economical administration of the Government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. Gross].

The question was taken; and on a division (demanded by Mr. Gross) there were—ayes 15, noes 26.

So the amendment was rejected.

The Clerk read as follows:

FUNDS APPROPRIATED TO THE PRESIDENT
Emergency fund for the President, national defense

For expenses necessary to enable the President, through such officers or agencies of the Government as he may designate, and without regard to such provisions of law regarding the expenditure of Government funds or the compensation and employment of persons in the Government service as he

may specify, to provide in his discretion for emergencies affecting the national interest, security, or defense which may arise at home or abroad during the current fiscal year, \$1,000,000: *Provided*, That no part of this appropriation shall be available for allocation to finance a function or project for which function or project a budget estimate of appropriation was transmitted pursuant to law during the Eighty-sixth Congress, and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body.

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: On page 4, line 23, after "designate" strike out "and without regard to such provisions of law regarding the expenditure of Government funds or the compensation and employment of persons in the Government service as he may specify."

Mr. VANIK. Mr. Chairman, the purpose of this amendment is to provide for some accountability with respect to the President's emergency fund. It seems to me that all public spending should be vouchered and accounted for. I seek by this very simple amendment to provide for a report after the funds have been used by the President, a report that can be vouchered or accounted for, so that the Congress and the public can know just exactly how these funds were spent. I think the President should have the broadest kind of discretion for spending these funds, for whatever emergency he deems necessary, but I think that the taxpayers are entitled to know how these funds have been used.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Ohio.

Mrs. BOLTON. Would the gentleman be enthusiastic about having the Congress make a report on its use of the funds it uses abroad?

Mr. VANIK. Oh, I have no objection to that. I think they should be fully reported.

Mrs. BOLTON. A bill has been introduced for that purpose.

Mr. VANIK. I will be pleased to support that kind of legislation.

Mrs. BOLTON. Counterpart funds is what I am speaking of.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ANDREWS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it has been the law for years and years and years that the President have an emergency fund. If you will turn to page 174 of the hearings, you will find that Mr. Stans, Director of the Bureau of the Budget, stated that the President has the exclusive right to use this money in any way he deems necessary. I quote from our hearings:

The purpose is to provide the President with a fund which can be used in his discretion for emergencies affecting the national interest, security, or defense which may arise at home or abroad during the current fiscal year.

Mr. Chairman, I think every Governor in each of our 50 States has an emergency fund, in most cases smaller than that al-

lowed the President. Certainly the President of the United States needs an emergency fund, and he and he alone should determine when and for what purposes and in what amount funds should be expended from that emergency fund.

Mr. Chairman, I ask that the amendment be defeated.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman.

Mr. VANIK. Mr. Chairman, I have no argument with anything the gentleman has said. I concur and said in my statement that I agreed that the President should have this fund, and I agree that he should have the discretion to spend the money in any way he sees fit, and perhaps the fund ought to be more than is provided in the bill. But I think there ought to be an accounting after the fund has been spent.

Mr. ANDREWS. There is an accounting every year when the committee asks for what purposes the fund has been spent, and the gentleman can find that in the hearings. We may question whether or not the matter for which it was spent was an emergency, but nevertheless it is his emergency fund, to be spent as he sees fit. I think our hearings every year will show that we go into detail to ascertain how those funds are spent.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman.

Mr. HARDY. Do I understand that the President has never declined to advise the committee the purposes for which these funds were used?

Mr. ANDREWS. That is right.

Mr. HARDY. I had the impression that that has not always been true.

Mr. ANDREWS. As long as I have been on the committee the administration has never failed to give us the amounts that have been spent and the purposes for which the money was spent.

Mr. HARDY. Certainly, insofar as the law goes, he could not be required to do so under the language, is that not correct?

Mr. ANDREWS. I think that is correct.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Illinois.

Mr. MICHEL. Is it not true, particularly during time of war or even now during a time of the cold war, that there are occasions which arise when the President draws upon that emergency fund for any number of purposes about which we properly cannot talk on the floor of this House. But gentlemen who know what it takes to win a war effort, or a psychological battle, know it is absolutely necessary to have that discretionary authority.

Mr. ANDREWS. That is correct.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Iowa.

Mr. GROSS. I just wonder if Washington could operate without a cold war.

Mr. HARDY. Mr. Chairman, will the gentleman yield further?

Mr. ANDREWS. I yield to the gentleman from Virginia.

Mr. HARDY. I subscribe to the idea that the President needs this fund, and he should have complete discretion how he uses it. But I do not subscribe to the notion that he should not be amenable to a suggestion that he tell the Congress, or at least the committee, what he has done with the fund, and certainly there would be times, I agree, when it should not be made public.

Mr. ANDREWS. He does; he tells the committee. The Director of the Bureau of the Budget tells our committee.

Mr. HARDY. If it is clear that there is no effort to hide from the committee the purposes for which the fund is used, I would have no objection to it. But there are so many things that are done under this guise to prevent the Congress from even finding out.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman.

Mr. GARY. Is it not a fact that there has never been any effort to conceal the expenditure of these funds from the committee or from the Congress?

Mr. ANDREWS. That is correct.

Mr. GARY. There may be instances when it would not be advisable to publicize certain expenditures, but they are always available to the congressional committee.

Mr. ANDREWS. That is right. And if you will look at page 166 of the hearings you will find listed the purposes for which the funds were expended.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman.

Mr. GROSS. There is nothing in the gentleman's amendment that would preclude the committee from ascertaining what the funds have been expended for; is there?

Mr. ANDREWS. No; there is not.

Mr. Chairman, I ask that the amendment be voted upon.

Mr. FENTON. Mr. Chairman, I rise in opposition to the amendment.

As the chairman of our subcommittee has so well stated, this is a fund that has always been granted the President. There is certainly nothing concealed in the way he handles the money. I remember, I think it was 2 years ago, they asked for a \$5 million appropriation for this item and the Congress sustained the committee in reducing it to \$1 million. One million dollars has been the amount that has been given the President, not only this President, but Presidents down the line ever since I have been a member of this committee. I see no reason to change it at this time.

I hope the amendment is defeated.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take just a minute to point out that contained in last year's

appropriation bill for this purpose there was this provision:

No part of any appropriation contained in this act, or of the funds available for expenditure by any individual, corporation, or agency included in this Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress.

The effect of the language in the item containing the appropriation is to nullify this provision. Why nullify it in the case of the President? In a minute or two, I will offer an amendment and show you where that section of the law needs to be in this bill to stop the White House from using funds for propaganda purposes. The amendment ought to be adopted. It validates the provision found on page 13 of the bill.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. BAILEY. It makes one wonder where the funds came from to finance Eric Johnston's drive in our trade relations fight of last year.

Mr. GROSS. That is right.

Mr. BAILEY. He was put on the staff of the White House, but what fund was he paid from?

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. MICHEL. Of course, the gentleman from West Virginia is suggesting that the President used money from the emergency fund to finance that particular thing, but that is not true and I think the record should be kept straight on it.

Mr. GROSS. I will say to the gentleman from Illinois, the record will show that people employed by the White House and paid by White House funds were in that organization and helped to sponsor the propaganda meeting to which the gentleman referred.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PASSMAN. I think the record is abundantly clear because Mr. Eric Johnston admitted that he received certain funds from the White House to finance the propaganda campaign and I can give you the amount and I will be very happy to insert the letter in the Record from Eric Johnston.

Mr. GROSS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 5, June 4, strike out "\$1,000,000" and insert in lieu thereof "\$600,000."

Mr. GROSS. Mr. Chairman, I would ask the Members to turn to page 167 of the hearings. There you will find some very enlightening information. At that point, Mr. ANDREWS, chairman of the subcommittee, asked Mr. Stans, the Director of the Budget, whether there was an allocation of \$400,000 from the 1959 appropriation from the President's emergency fund to study the mutual assistance program—in other words, the foreign

giveaway program—and whether that represented the first time that funds were allocated for this purpose. The record is as follows:

Mr. ANDREWS. You have told us this fund is intended to enable the President to deal swiftly with sudden emergencies. What was so sudden about this study? What was the emergency?

Mr. STANS. I would say there are several factors that initiated the study.

Now listen to this, and this is Mr. Stans speaking:

Another factor, I am sure, was that the President has, from time to time, found the Congress somewhat unconvinced of the urgency and necessity of appropriations for various phases of the mutual security program.

In other words, last December the foreign give-away program was falling into disrepute and so it was decided by someone in the White House, perhaps by the President, that they had better get Mr. Draper and get another propaganda job done on the American people and on the Congress—that is what he is saying. Let me repeat what he said:

I am sure, the President has, from time to time, found the Congress somewhat unconvinced of the urgency and necessity of appropriations for various phases of the mutual security program.

Then Mr. Andrews said:

Why did this money come from the President's emergency fund rather than the mutual security fund?

Mr. Stans said:

Mr. Staats will answer that question.

And I believe Mr. Staats is Deputy Director of the Bureau of the Budget. Mr. Staats says:

I think it would be helpful if we could supply a more complete statement for the record. The original intention was to use those funds, but when the situation was examined it was found that there was a technicality in the law which made it unavailable to meet this kind of a situation.

All right, now, let us see what kind of a technicality, as Mr. Staats is pleased to call it—let us see what kind of technicality existed that they could not use mutual security funds to do a propaganda snow job on the American people and upon the Congress. I refer you to Public Law 85-853, the Mutual Security Appropriations bill, 85th Congress of August 28, 1958, page 2, section 102, which reads as follows:

No part of any appropriation contained in this act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

Is that a technicality or is it the law? That is the reason why they had to resort to the emergency fund of the President for the \$400,000. It was because of the language contained in the Mutual Security bill that funds contained therein could not be used for propaganda purposes. So the President employs Mr. Draper and the Draper Committee is born with a fund of \$400,000. I do not believe there is anyone in the Congress who has seen the report of the Draper Committee. I understand a preliminary report has

been made but I cannot get a copy of the full report.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. Speaking of technicalities the gentleman might mention also that a section of the Criminal Code which was read to the House only last week in debate on the housing bill makes it a criminal offense for members in the executive department overtly to lobby for or against legislation in the Congress.

Mr. GROSS. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent, Mr. GROSS was allowed to proceed for 5 additional minutes.)

Mr. GROSS. Now, why this expenditure of \$400,000 from the President's emergency fund? I picked up in my office this morning just a few of the publications that have been put out by the State Department and others for propagandizing the American public and the Congress on this foreign giveaway program.

Here is a document about 4 inches thick put out by the other body in July 1957, which is 99.9 percent propaganda for the foreign giveaway program. Read it sometime. It cost a small fortune.

Here is a report to the President by the President's Citizens Advisers on Military Security Program, March 1, 1957, another propaganda piece.

Here is one, the mutual security program for fiscal year 1960, a summary presentation. Take a look at this if you want to see a nice, three-color job. If you can find anything here that is in any way critical of the foreign-aid program, I will eat the paper it is printed on.

Here is another put out as late as February 1959. If you can find anything in any way critical of the foreign giveaway program, I will eat the paper it is printed on.

And yet the President has to have his so-called emergency fund to set up the Draper Committee to do still another propaganda job on the American people. All my amendment seeks to do is just to take out the \$400,000 which he obviously did not need for emergency purposes. Let us see how much more propaganda he can buy for \$600,000.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Maryland.

Mr. FOLEY. I call the gentleman's attention to page 139 of the hearings where he will find a table toward the bottom of the page and in that table an item which refers to the President's Committee on Fund Raising in the Federal Service, and provides \$49,000. I would like to have the gentleman express his view on that particular Committee.

Mr. GROSS. I do not know anything about that. I thank the gentleman.

Mr. Chairman, I trust the amendment will be adopted.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in rising in opposition to the amendment, I want to agree with my friend, the gentleman from Iowa [Mr. Gross], and I want to show him that the committee absolutely agrees with what he says. In order to do so, I am going to read from the report of the committee. The report contains the following statement:

The committee continues to support the proposition that the President should have available such a fund from which he may, in his discretion, provide for emergencies affecting the national interest, security, or defense. However, this fund has been used with some frequency to initiate projects, committees, and agencies which lend themselves to perpetuation long beyond defensible pretext of emergency.

Witnesses speaking in behalf of this fund enumerated several studies, conducted under recent appropriations, which do not appear to meet the criteria justified by the administration and approved by the Congress. A case in point is a recent study of the mutual security program which has been presented to the Congress annually for more than a decade and given the most thorough consideration by a major legislative committee and the Committee on Appropriations.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. Where the gentleman and I differ is he seems willing to go ahead and provide the money. I am not.

Mr. GARY. I am not willing to give them the money for another survey of that kind, but I am willing to give them the money for a national emergency. I do not believe that a million dollars is too much for the President to have as an emergency fund. He may not use it all, and I hope he will not; but if an emergency arises, and one may arise in which he might need every penny of the million dollars, I would not like to be faced with the fact that our committee or the Congress of the United States had withheld from him sufficient funds with which to handle the emergency.

Mr. GROSS. What is the gentleman going to do if again the President takes \$400,000 to do another propaganda job on the Congress and the American people?

Mr. GARY. The President has his responsibility to the people of the United States just as this Congress does. I think we have got to trust somebody in the administration of the affairs of this Government. When we get to the point that we cannot trust the President of the United States with the expenditure of a million dollars, then I think we had better get another President.

Mr. GROSS. Regardless of whether we trust him or not, does the gentleman agree that he was right in spending \$400,000 for the purpose for which it was expended?

Mr. GARY. I do not, and neither does our committee, and we have said so in no uncertain terms in our report. The President may not agree with us. I do not agree with everything the President does, and I am sure the President does not agree with everything we do, but, after all, the legislative and executive branches do have equal responsibility in the operation of the Government.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Ohio.

Mr. VANIK. In reference to this emergency allocation, I have looked over last year's appropriation, and there were appropriations for a number of things, including a transportation survey. What relationship do these things have to national security?

Mr. GARY. I think some expenditures have been made from this fund which were not in keeping with the intention of the Congress. I have stated that very frankly.

Mr. VANIK. In going through the explained expenditures, I am unable to strike a balance between what was explained and what was not explained. So I am somewhat concerned about the unexplained portion.

Mr. GARY. There was an explanation of all of the expenditures. The committee thought that some of them were not in conformity with the intent of the Congress; nevertheless, the committee expressed its opinion in the report and we hope that will deter expenditures of that kind in the future. However, we did not feel there was any justification for cutting out the fund.

Mr. HARDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this merely to make an inquiry. Did the committee consider language which would make applicable section 209 to this particular appropriation?

Mr. GARY. It did not.

Mr. HARDY. Mr. Chairman, everybody seems to be agreed that there should be some means to prevent the improper use of this fund for purposes prohibited under section 209.

Mr. GARY. There is not any question about the fact that the emergency appropriation is subject to 209. It is in the same bill.

Mr. HARDY. Is it not true that previously these funds have been used for such purposes in contravention of similar language?

Mr. GARY. That may be a question of opinion. In the opinion of the committee, they were.

Mr. HARDY. Does the President disagree with the opinion of the committee on this?

Mr. GARY. We have submitted our report and we have not heard from the President on the report.

Mr. HARDY. The gentleman must know that inclusion in the report of language which the President did not choose to follow would not be as binding as language in the bill itself; is that correct?

Mr. GARY. That is unquestionably correct. But when you begin to define what is in the national interest, you will find you run into a great many difficulties. As I said, after all, you have to trust somebody, and it looks to me as if we should trust the President of the United States in the expenditure of this million-dollar emergency fund.

Mr. HARDY. I certainly agree that we should have confidence in the President of the United States. Certainly I

do. But I do not believe these funds should be used for purposes prohibited by section 209, and we ought to be able to take some steps to preclude such use.

Mr. FENTON. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, in my general statement I said that representatives of the Bureau of the Budget, when they appeared before our subcommittee, responded, I think, very frankly, truthfully, and straightforwardly on this matter.

This is all explained on page 167 of the hearings where Mr. Staats gave us this information.

He said:

The study by the Draper Committee developed, in part, from requests from Members of the Senate that the President make a reappraisal of the relationship between the military and economic assistance aspects of the mutual security program.

Certainly that is in the national interest, in my book.

It was considered desirable, to assure an impartial report, that the study be financed from funds not connected with any particular agency of the Government. Moreover, since the study was aimed at permitting a personal review by the President, it was believed that the use of funds directly under the control of the President was appropriate. In addition, the funds of the mutual security program may be subject to certain general restrictions against making payments for expenses of committees or other similar bodies. For these reasons, mutual security funds were not used to finance the Draper Committee study.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Iowa.

Mr. GROSS. Yes, and that is because under the public law dealing with mutual security funds they were expressly prohibited from using them for propaganda purposes. It carried no devious language, as this bill does.

Mr. FENTON. I will say to the gentleman, under the basic law, the President should not be handicapped in this fashion, and I hope that the committee rejects this amendment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Minnesota.

Mr. JUDD. I am sure the gentleman will remember that 2 years ago this House appropriated a considerable amount of money—I do not remember the exact amount—and also the other body appropriated a special amount in the hundreds of thousands to finance a reexamination, a resurvey, a reevaluation of the whole mutual security program. Both houses together spent much more than the administration did for the Draper Committee study of the same program. It seems to me only reasonable and proper that the administration should set up an ad hoc independent committee to take a fresh look at the whole operation. It had been under attack; there was dissatisfaction amongst supporters with parts of it; some things had not worked out as anticipated. Surely the administration would have been negligent if it had not inaugurated an independent survey even as each of

the Houses of the Congress was doing. This special fund of the President's was the proper one for the President to use in view of the national interest and security factors involved.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Maryland.

Mr. FOLEY. I direct the gentleman's attention to page 139 of the hearings and to the table under "Executive Office of the President." The last item is "President's Committee on Fund Raising in the Federal Service." The reason I am asking the gentleman this question is this: I apparently scanned the whole hearings and the report and I find no reference or explanation of that particular committee, and every other committee has been referred to and explained. But, that particular one is not explained or referred to in any way in the hearings or the report.

Mr. FENTON. I think it permits the Executive Office to check on funds that are requested from Federal agencies throughout the Government.

Mr. FOLEY. The reason I raise the question is I was interested in knowing just exactly what this particular committee's functions were and are and will be in the next fiscal year, inasmuch as \$49,000 is involved and four people are involved.

Mr. FENTON. In other words, this item refers to money for investigations on solicitations of funds from the personnel of the executive agencies.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this debate should remind the Members who came to this House last that it has not been so very long since the newspapers and some Members of the House gave some of us a panning because of the way we spent the clerical allowance given us. So, perhaps, if we felt, some of us, that it was all right to spend the money allocated to us for clerk hire in the way we thought would give us the most information, the best results, perhaps we should let the President spend the money given him as he judged best. I do not suppose he spends any of it himself. Somebody down there in whom he has confidence tells him how to do it, because he could not possibly know all the details. This discussion brings to mind a letter I received.

Permit me to read:

Recently there was an item in the Palladium in which they quoted you as saying that the constituents of the Congressmen and Senators are responsible for the vast spending of the Federal Government.

Now, I hope you will listen, because this gentleman, I assume, knows me. He lives in the Fourth Michigan District:

You must think the people back home are so dumb that they will swallow everything that comes out of Washington and think that if some Congressman says it, it must be the gospel truth. Well, you couldn't be farther from the straight and narrow. I am enclosing a clipping which to my mind is

pretty accurate as to what the Government thinks of economy: "United States Spends \$4,500 a Man on Laws' Toy Soldier Army."

And the piece refers in detail to apparently wasteful spending.

Anyway, that is it.

The Government spends hundreds of millions of dollars which the poor taxpayers know nothing about.

I suppose this is one item today.

What are you doing out there in Washington? Has the Congress completely forgotten the taxpayers? Did the constituents demand they spend \$100 million for the Senators and Representatives for more plush office space?

He is coming back at me because I wrote that the people ask for unnecessary spending, otherwise we would not appropriate the money. Now he is calling my attention to some of our own unnecessary spending, and, incidentally, I am passing it on to the Members, calling attention to the dollars that we spend without our folks either asking or knowing anything about it. That is to say, he says that in a way we are equally guilty, and we are, but not to an equal degree. But, after all, we do try to, but I fear some waste will always creep in.

Did the folks back home demand that they double their salaries?

I have not had that particular request.

Incidentally, it did not take them all summer to do that, either, but it took them 2 years to add a few dollars to the war widows' pension. The latter they considered inflation. Were the taxpayers considered when they voted to increase the amount for their staffs by \$50,000?

He is a little off on the amount. It is difficult to read some of this letter, and I shall put it in the RECORD, and I shall put my answer in, too, and that answer is not a plea of not guilty, it is a plea of confession and avoidance, and perhaps some of our colleagues ought to file a similar answer or plea.

What I am trying to say is this. Our constituents are aware of at least a part of what is happening.

We must each accept our share of the blame. We are not mainly at fault because our constituents do advocate that we spend more and more.

The gentleman wrote:

Isn't it going a little too far when our two Senators each get \$120,000 to pay their clerical help?

I would like to rent my front porch for \$100 per month.

If the Congress really wanted to do something for the people, who pay the bills, they might investigate the different procurement agencies; Army, Navy, Air Force, and all the others, and get them organized on a business basis.

Very truly yours.

I answered the gentleman in this manner:

No; I do not think the people back home are so dumb that they will swallow everything that comes out of Washington. I know better. The people are neither—on the average—of more intelligence, nor more dumb than their elected representatives. We are all much the same.

You enclosed a clipping which purports to show an outrageous waste and I can point to many other similar situations.

You ask the reason: One is that the Government is so big that it is impossible for one person or one group to keep track of everything, and always there are a waster and a spender, not to mention a crook who manages to slip in every large group.

Am frank to admit that the Government spends hundreds of millions of dollars which the taxpayers know nothing about. Even the Representatives here do not know the whole story. "The half has never been told."

Again, one trouble is the size of the Government and the insistent demands of those who pay the cost. Each one asking that all the money be spent, but that a certain amount be spent for one thing and another group asking for another.

You ask, "What are you doing up there in Washington? Has Congress completely forgotten the taxpayer?"

Certainly not, and what are the taxpayers doing on projects which promote economy? Many ask but few want it.

If you know anything about my record, and I assume you do, you know there has never been a campaign in which I have been interested that I have not been called a tightwad, one who refuses to vote for the things the people desire.

Undoubtedly I have made mistakes and will continue to make them as long as I am here, but did you ever have a member of the State legislature or of Congress who did not make mistakes? Did you never make one?

No; I do not know of a constituent who asks that the Congress spend more money for new offices, but I do know that constituents have asked for additional services until Congressmen have needed more help and larger offices; and I do know, or at least I think I know, that we have wasted many millions on desirable but unneeded projects. Congress will probably continue to do so, so long as voters increase.

As for increasing our pay, we certainly have. And many a Congressman could have made as much or more in the enterprise he left to come here.

Why do I stay?

Because I thought I could do something worthwhile—get a reduction in taxes and, perhaps some better laws. I have learned that I was shooting at the moon.

Never but on two occasions did I use all the money allotted to me for clerk hire, and that was unavoidable because of illness in the office force. When we were awarded \$2,500 additional for expenses, I left the \$2,500 in the U.S. Treasury until after the people had a chance to vote at the next election. Would you have let \$2,500 lie on the shelf when all you had to do was to check against it?

As for the increase of staff pay, the standard of pay in Washington is different from what it is in Benton Harbor, and it is not too easy to get the work done by competent people. Not everyone can step into a congressional office and do a worthwhile job.

Personally, I do not know what the two Senators get, but I am quite certain that every Tom, Dick, and Harry in the State feels free to write them and demand an answer to any and every question which may occur to the writer.

You say you would like to rent your front porch for \$100 per month.

No doubt, but would your front porch be any good to the Government?

The point is this—so far as I know, there is not even a rumor that there was more than one front porch rented by Congressmen. There are 436 Congressmen and it is not at all surprising to find some of them trying to increase their income through the use of their own property.

It is reported the Speaker of the House and the Republican leader pay \$60 a month for office hire in their home districts. We are supposed to maintain an office in the district. I once paid for one in St. Joe, then found it more convenient to rent in my hometown and, naturally, I rented one at \$60 a month (later \$80 a month) from my own son. The office is fully equipped, is heated, a clerk is there and service is rendered. And the sign is on the door.

You write that if we wanted to do something for the people, we might investigate the different procurement agencies. Bless your heart, we are investigating all the time and we are all the time uncovering and correcting abuses and we catch heck for the investigation. As a matter of fact, I sometimes think we just go on a wild goose chase but I know that we correct many an abuse. The gentleman concluded his letter with this statement:

"I don't expect you to answer this, Mr. HOFFMAN, as it has been my experience that they don't answer critical letters.

"No; they just call it another letter from a crank not worth answering."

I don't know what your experience has been, but I am of the opinion, and, of course, I may be mistaken, that usually you have had an answer where you ask a worthwhile question. It has been my practice to read and to answer every letter, even the abusive ones from people, not only those who live in the district, but letters from outsiders who are so completely mistaken.

The average Congressman is just as intelligent, just as able, as the average citizen. He comes from the people. He is elected by a majority of the people, after his opponent has dug up all the dirt that exists in an effort to show he should not have been elected.

A stock answer to letters like this one of yours is that if you feel so deeply, are willing to make the sacrifice, and think you can better the situation, why not take a whirl at it and become a candidate. Good luck to you and yours, and just paste this in your hat and look at it occasionally. The average Congressman is about the same in ability and patriotism as the average citizen.

Write me again when you feel like it. Such letters as yours are always helpful, spur us on to a greater effort to do the right thing.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. Gross) there were—ayes 22, noes 57.

So the amendment was rejected.

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 5, line 6, strike the period, insert a colon and the following: "Provided further, That section 209 of this Act shall be fully applicable to this appropriation."

Mr. ANDREWS. Mr. Chairman, I make a point of order against the amendment, and reserve that point of order.

Mr. MICHEL. Mr. Chairman, I ask unanimous consent that the Clerk report the amendment again.

The CHAIRMAN. Without objection, the Clerk will report the amendment again.

(The Clerk again reported the amendment.)

Mr. FENTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FENTON. Mr. Chairman, where is that period to be inserted?

The CHAIRMAN. The Chair will advise the gentleman that the amendment does not appear to be appropriate at the line indicated on page 5.

Mr. HARDY. Mr. Chairman, there should be a period at the end of line 10. Is that what I have in the amendment?

The CHAIRMAN. The amendment indicates line 6.

Mr. FENTON. Mr. Chairman, I make a point of order against the amendment.

Mr. HARDY. Mr. Chairman, I ask unanimous consent that the amendment may be revised to specify line 10 instead of line 6.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 5, line 10, strike out the period and insert a colon and the following: "Provided further, That section 209 of this Act shall be fully applicable to this appropriation."

Mr. FENTON. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. Does the gentleman desire to be heard on the point of order?

Mr. FENTON. I do, Mr. Chairman. It is legislation on an appropriation bill.

Mr. Chairman, this language has been in the bill for many years and it has been accepted. I believe that a point of order should stand against attempts at this time to eliminate this language.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard on the point of order?

Mr. HARDY. Yes, Mr. Chairman. I do not know how it can be said that this is legislation on an appropriation bill when it refers to a section of the bill itself.

The CHAIRMAN. The Chair will advise the gentleman that that section may have legislation in it and the fact that the amendment refers to a section of the bill is not an answer to the point of order.

Mr. HARDY. That may be true, Mr. Chairman, but I would certainly have to express the feeling to ask how is it improper anywhere in a piece of legislation to say that a section of the legislation is applicable to the rest of it.

The CHAIRMAN (Mr. ALBERT). Under the rules of the House, any language in an appropriation bill or any amendment to an appropriation bill which contains legislation is subject to a point of order. Therefore, the point of order is sustained.

Mr. HARDY. Mr. Chairman, do I understand then that the Chairman has already ruled?

The CHAIRMAN. The Chair has already ruled on the question.

Mr. HARDY. Mr. Chairman, would it be improper to suggest that actually this is a limitation and makes section 209 apply?

The CHAIRMAN. The Chair will advise the gentleman that on the face of

the amendment, it is not a proper limitation on the funds.

Mr. HARDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think I ought to explain my purpose in offering this amendment. The committee has stated that it was its purpose to insure that section 209 was applicable to this entire act. Let me ask my friend, the gentleman from Alabama, if I understood him correctly, to construe that it was the intent of the committee that section 209 would be applicable to this particular appropriation?

Mr. ANDREWS. It was the intent of the committee, and section 209 reads as follows—

Mr. HARDY. I know how the language reads, but I would just like to know if it was the intent of the committee to make it applicable to this appropriation.

Mr. ANDREWS. The committee made this statement in the report which I would like to read to the gentleman:

In recommending an appropriation in the full amount requested, the committee hopes that the utmost restraint will be exercised in the use of this fund for the purposes intended as stated in the appropriation language.

That is as far as the committee wanted to go. We do not want to hamstring the President as to how he should use the money.

Mr. HARDY. So it can be understood from the gentleman from Alabama that it was the intent of the committee to permit the use of this fund for propaganda purposes, if the Chief Executive saw fit to do so?

Mr. ANDREWS. I would say "Yes."

Mr. HARDY. I thank the gentleman very much. Now the purpose of the committee is clear and the language in the report is nothing but a lot of double talk.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. GARY. Certainly, the committee report does not control this matter. It is controlled by the language of the bill. Not only was it the intent of the committee, but section 209 says, "No part of any appropriation contained in this act," and so forth. The appropriation that the gentleman refers to is certainly contained in this act. So not only was it the intent of the committee but it is the express provision of the bill itself, which the committee recommends to this body that section 209 shall apply to every appropriation item in the bill.

Mr. HARDY. Now I ask my friend from the Third Virginia District if he considers the comment which he has just made to be actually in conflict with the comment of the gentleman from Alabama.

Mr. GARY. What I have said is not in any way in conflict with what the gentleman from Alabama has said.

Mr. HARDY. Then I do not understand, because to my way of thinking the gentleman's remarks are in conflict with what the gentleman from Alabama says. If I understand it incorrectly, I would certainly like to be corrected.

Mr. GARY. Subject to section 209—the committee cannot have any intent other than that expressed in the law.

Mr. HARDY. If that is true then, certainly the language which I have suggested would be entirely appropriate, and unless the committee desires to circumvent its own section 209, then my amendment should be adopted.

Mr. GARY. It would not be appropriate. It would be extraneous because it is absolutely unnecessary. The bill already provides exactly what the gentleman is trying to reach by his amendment.

Mr. HARDY. The gentleman knows, does he not, that on previous occasions this very thing has happened, that funds from this appropriation have been used for the purpose of influencing legislation.

Mr. GARY. And other laws of the Nation have been violated from time to time without anything being done about it.

Mr. HARDY. Do I understand then that the gentleman is contending actually that the executive branch has deliberately caused laws to be violated?

Mr. GARY. The gentleman is saying that if the reports to which reference has been made are propaganda then the law has been violated. As the gentleman stated previously, however, that may be a question of opinion.

Mr. HARDY. Let me say just one more word in connection with the motivation behind this amendment. I have been told that a certain business organization was in Washington pressurizing the Congress for the enactment of certain legislation this last year and spent some \$65,000 which they said they were going to be repaid from this emergency fund. Now I do not know whether the Appropriations Committee was advised of that; presumably they were not. I am not sure myself. This came from a very reliable source who was familiar with efforts being made to secure passage by Congress of certain legislation. The statement was made that reimbursement was to be made from this fund.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. GROSS. It is my understanding that \$3 million of this fund was used for an educational exhibit over in Moscow not so long ago.

Mr. HARDY. Certainly I think the President should have this fund, and my purpose in bringing it up was to focus attention to the violation, certainly of the purpose and intent of section 209. There ought to be some way that we could enforce that section to see that it is not violated, and it seemed to me that the committee ought to assist in making that certain instead of raising a point of order.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, just to keep the record straight, it is true that the President spent \$3 million on an exhibit building in Moscow, but the money was out of

foreign aid funds. I think it is rather farfetched to use foreign aid money for such a purpose, but that was what was done; it was not from this particular fund now under discussion. It was from the funds appropriated for foreign aid that the President spent the \$3 million for the Moscow exhibition building.

Mr. GROSS. I appreciate the gentleman's correction.

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 5, line 10, strike out the period, insert a colon, and add the following: "Provided, That none of the funds appropriated in this Act shall be spent in violation of the provisions of section 209."

Mr. ANDREWS. Mr. Chairman, I make a point of order against the amendment on the ground that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. VANIK. No, Mr. Chairman.

The CHAIRMAN. The Chair is prepared to rule.

The language of the amendment offered by the gentleman from Ohio specifically places a limitation upon the use of funds appropriated in this act. It is, therefore, a limitation and is not subject to a point of order.

The Chair overrules the point of order.

The gentleman from Ohio is recognized in support of his amendment.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield.

Mr. HARDY. I just want to commend the gentleman for straightening out the language in such way as to accomplish the purpose I had in mind. It is a good amendment and it certainly should be supported by every Member of the House.

Mr. VANIK. I shall not take time to discuss this amendment for it has been thoroughly discussed. It merely makes the emergency fund subject to the provisions of section 209. I certainly think it is good legislation and should be adopted.

Mr. ANDREWS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask that this amendment be defeated. I do not think we should hamstring, so to speak, the President in the use of this fund. As has been said by the gentleman from Virginia, if we cannot trust the President with \$1 million we are living in a sad state indeed.

I ask that the amendment be defeated.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been listening to the debate on this amendment and I was just wondering if the gentlemen who are raising the question of whether this fund is being spent in accordance with law have asked for an opinion from the General Accounting Office? I ask for comment on that by the chairman of the committee or by any member of the committee. From the silence that greets my question I must say this sounds to me like a tempest in a teapot.

Mr. GROSS. Mr. Chairman, I rise in opposition to the pro forma amendment.

I do not know whether the gentleman from Missouri [Mr. CURTIS] was in the Chamber earlier when the debate started on this particular feature of the bill, but if he was here he will recall, I am sure, that the Budget Bureau testified before the committee that they had to resort to this fund; that they could not use mutual security funds because they were prohibited under the law from using them.

Mr. CURTIS of Missouri. The reason I raised the General Accounting Office question is because that is an arm of the Congress. The Bureau of the Budget is an arm of the executive department; and if the Members of Congress have any point to make on this, I would think they would go to the General Accounting Office to get their opinion. I think the gentleman from Virginia and the committee pointed to the actual issue: Is this propaganda or is it not? I do not know whether it is or not.

Mr. GROSS. Let me say to the gentleman that on the basis of testimony by the President's own agency, the Bureau of the Budget, it was a propaganda enterprise; else they would not have been precluded from using mutual security funds.

Mr. CURTIS of Missouri. I would think the orderly procedure would be to refer it to the General Accounting Office for an opinion.

Mr. HARDY. This is in the nature of an appropriation which the General Accounting Office cannot look at.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The question was taken; and on a division (demanded by Mr. VANIK), there were—ayes 24, noes 61.

So the amendment was rejected.

Mr. HARDY. Mr. Chairman, I move to strike out the last word, simply to say that I hope the action this Committee has just taken in refusing to adopt the amendment that was offered by the gentleman from Ohio is not going to be construed by the White House as a sanction by the Congress for the use of these funds for purposes prohibited by section 209.

The Clerk read as follows:

SEC. 202. Unless otherwise specified and during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, had filed a declaration of intention to become a citizen of the United States prior to such date, (3) is a person who owes allegiance to the United States, or (4) is an alien from the Baltic countries lawfully admitted to the United States for permanent residence: *Provided*, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the

requirements of this section with respect to his status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony and, upon conviction, shall be fined not more than \$4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

Mr. O'HARA of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Michigan: On page 9, lines 5 and 6, after "alien" strike out the words "from the Baltic countries".

Mr. GARY. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GARY. Mr. Chairman, that is legislation on an appropriation bill.

The CHAIRMAN (Mr. ALBERT). The Chair would advise the gentleman that the amendment simply strikes out certain language in the bill.

The point of order is overruled.

Mr. O'HARA of Michigan. Mr. Chairman, section 202 provides "no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States—including any agency the majority of the stock of which is owned by the Government of the United States—whose post of duty is in continental United States unless such person, first, is a citizen of the United States; second, is a person in the service of the United States on the date of enactment of this act who, being eligible for citizenship, had filed a declaration of intention to become a citizen of the United States prior to such date; third, is a person who owes allegiance to the United States; or, fourth, is an alien from the Baltic countries lawfully admitted to the United States for permanent residence."

Mr. Chairman, I see no reason for restricting employment of aliens to those originating in the Baltic States. I am sure that the committee had no intention to include a discriminatory provision in this bill but that it merely accepted language which had not been closely examined.

I would like to ask the opinion of the chairman of the committee on this amendment.

Mr. ANDREWS. We made no study of this. Several Members suggested that a language change be made. Our committee has had no opportunity to look into what effect such change might have. We suggest that the matter be taken up with the Senate committee to see if we

cannot work out over there some solution that will be satisfactory to both sides.

Mr. O'HARA of Michigan. I thank the gentleman.

Mr. ANDREWS. That would give us an opportunity to consider it.

Mr. O'HARA of Michigan. I do not believe that anyone in this House can think of a reason why we should accept a bill containing such a discriminatory provision. Nor would it be to the credit of the House to neglect an opportunity to strike this language out of the bill.

Mr. ANDREWS. We suggested that they take it up with the Senate committee and give our committee and the Senate committee an opportunity to study the effect it would have. The gentleman from Pennsylvania [Mr. FENTON] made that statement in the well of the House this afternoon.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Ohio.

Mr. VANIK. I would like to point out that the language the gentleman seeks to strike from the bill seems to be subject to a point of order, because the gentleman is seeking to restore the appropriation nature of the bill by deleting a legislative provision. If the amendment is not agreed to, a point of order would lie against this particular language. It singles out Baltic aliens from those of other countries.

Mr. ANDREWS. I will say to the gentleman that this matter was brought to the attention of our committee after we got to the floor this afternoon. We have not had any opportunity to study it.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Virginia.

Mr. GARY. The suggestion was made that Poland be added to that language. Frankly, our committee has given no consideration to it. In explaining the amendment to me during the deliberations of this bill here on the floor they said that the Department of Agriculture wanted it for some purpose. Now, just what effect the gentleman's amendment will have I have not the slightest idea, and I hope that the House will not adopt it and that it will be presented to some committee when they can go into it and consider the many ramifications. I am always afraid of some amendment offered on the floor of the House when the House does not have an opportunity to inquire into the many ramifications and the effect that it might have on other laws. Now, when I made my point of order I thought that this interfered with some other law. Whether it does or not I do not know. I think probably it might interfere with existing laws. I was trying to save the point of order if that was the case, but I think this, that it is a matter that should be considered very carefully, and I think if the gentleman will let this go to the Senate and consider it together with the amendment to add Poland, that it would be handled in a much more deliberative manner.

Mr. O'HARA of Michigan. I do not believe this House should be a party to any such discriminatory limitation upon employment. The effect of my amendment would be to give the Government freedom to hire any qualified, legally resident, alien without regard to his national origin.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Pennsylvania.

Mr. FENTON. Of course, this measure has been in the bill for a number of years, and we have had no chance to examine the effect of your proposed amendment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. FENTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to say to the gentleman that I think the suggestion by our subcommittee chairman, the gentleman from Alabama [Mr. ANDREWS] and the gentleman from Virginia [Mr. GARY] is well taken. I certainly do not like to oppose anything that I know nothing about, practically. I have a number of people in my area that may be interested, too, in your proposal, but we should have the opportunity to study it.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. I merely want to say I do not think this is the sort of matter that requires any study. It is plain on its face. Here we have an opportunity to strike it and we should take the opportunity. I am sure that the gentleman has this amendment in the bill only because it has been in past bills, as he said. I think the time has come for us to change that language.

Mr. FENTON. Of course, I will say to the gentleman I think we should have a chance to study it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. O'HARA].

The question was taken; and on a division (demanded by Mr. O'HARA of Michigan) there were—ayes 19, noes 57.

So the amendment was rejected.

Mr. VANIK. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. VANIK. I make a point of order to the language on page 9, lines 5 and 6 "from the Baltic countries."

The CHAIRMAN (Mr. ALBERT). The Chair must advise the gentleman that the point of order comes too late. That section has been read and amendments to the section have been considered. The point of order is overruled.

The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. ANDREWS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ALBERT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7176) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1960, and for other purposes, he reported the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on passage of the bill.

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GROSS. In its present form.

The SPEAKER. The gentleman qualifies.

The Clerk read as follows:

Mr. Gross moves to recommit the bill to the Committee on Appropriations with the recommendation that the committee report the bill forthwith with the following amendment: On page 5, line 10, strike out the period, insert a colon and the following language: "Provided, That none of the funds appropriated under this Act shall be spent in violation of the provisions of section 209."

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Chair announced that the "noes" appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Without objection, further proceedings under the bill will be

There was no objection.

postponed until Wednesday.

LEAVE OF ABSENCE

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. WITHROW] be granted an indefinite leave of absence on account of illness.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON RULES

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to file certain reports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1960

Mr. ROONEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7343) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 1½ hours, the time to be equally divided between the gentleman from Ohio, Mr. Bow, and myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7343, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from New York [Mr. ROONEY] will be recognized for 45 minutes and the gentleman from Ohio [Mr. Bow] will be recognized for 45 minutes.

The Chair recognizes the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this bill carries the appropriations for the coming fiscal year for the Departments of State and Justice, the Federal judiciary and related agencies. Included in the related agencies, are the U.S. Information Agency and the Commission on Civil Rights.

We have a sad situation today, Mr. Chairman, in the loss of that great American, the distinguished and honorable former Secretary of State, Mr. John Foster Dulles. He was a man of noble character, he was a man of the highest integrity, he was a man who had great courage. And he was a kindly man. I am proud to say that we were friends for many years. I was his guest on many occasions when he was Secretary of State. As ill as he was last December in Paris when he attended the NATO Council meeting, he came downstairs from his bed of pain to greet the group that accompanied me at that time. I have always had the highest respect for him. To Mrs. Dulles, her sons and daughter, I extend my deepest sympathy in their bereavement.

Mr. Chairman, in discussing the pending bill which includes the appropriations for the Department of State, I assure you I shall not make any remarks

which might in the least impugn the integrity or the ability of the distinguished late Secretary of State. I do not bring this bill here to the floor today of my own choice. The date for the consideration of this bill was set by the leadership of the House almost 3 weeks ago. I am sure we can consider the matter of appropriations for the Department of State on the basis I have suggested.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to my distinguished friend, the minority leader, Mr. HALLECK.

Mr. HALLECK. First of all, I should like to say I appreciate the remarks just made by the gentleman from New York. While the gentleman from New York on occasion has had differences of opinion as to what just ought to be done with this particular appropriation bill having to do with the Department of State, I do not recall that the gentleman ever entered into personalities, and I am quite sure there will be no personalities involved today, and that the discussion will proceed in an orderly fashion based on what best ought to be done for the welfare of the country.

Mr. ROONEY. I assure the gentleman from Indiana that that is my purpose. Since the committee has seen fit to make certain cuts in appropriations with regard to the Department of State, I want everyone present to understand that the late Secretary worked as many as 16 and 18 hours a day, that he was busy most of the time with our foreign policy, and that that was as it should have been. Any criticism will be directed to certain subordinates who have charge of the administrative phases of the Department of State activities.

Before I proceed to explain the bill, Mr. Chairman, I should like to extend my thanks and appreciation to my colleagues on the subcommittee who have labored long and assiduously on the pending bill. The fact of the matter is that the hearings on this bill took place over a period of more than 3 months. I personally am indebted to the distinguished gentleman from Georgia [Mr. PRESTON], the distinguished gentleman from Florida [Mr. SIKES], the distinguished gentleman from Washington [Mr. MAGNUSON], the distinguished gentleman from Ohio [Mr. Bow], the distinguished gentleman from California [Mr. LIPSCOMB], and the distinguished gentleman from Michigan [Mr. CEDERBERG].

I would be remiss indeed if I did not acknowledge with thanks the great assistance we had from the staff assistant to the subcommittee, who has been with us now for a great many years, Mr. Jay B. Howe.

The bill now before you carries appropriations which total \$649,896,700. This compares with total budget estimates requested by the President in the amount of \$682,387,600.

The total amounts carried in the bill when compared with the current appropriations, to wit 1959 fiscal year, are \$19,429,407 less; and as compared with

the budget requests the amounts contained in the bill are \$32,490,900 less.

The following is a summary of the committee's action:

Department or agency	Appropriations, 1959 ¹	Estimates, 1960	Recommended in bill for 1960	Bill compared with—	
				1959 appropriations	1960 estimates
Department of State.....	\$241,936,352	\$228,335,000	\$217,610,000	—\$24,326,352	—\$10,725,000
Department of Justice.....	253,270,000	275,075,000	264,100,000	+10,830,000	—10,975,000
The Judiciary.....	48,008,455	51,039,600	48,703,900	+695,445	—2,335,700
United States Information Agency.....	118,923,800	120,550,000	113,057,300	—5,866,500	—7,492,700
President's special international program.....	6,410,500	7,100,000	6,145,500	—265,000	—954,500
Civil Rights Commission.....	777,000	288,000	280,000	—497,000	—8,000
Total.....	669,326,107	682,387,600	649,896,700	—19,429,407	—32,490,900

¹ Includes funds contained in the Second Supplemental Appropriation Act, 1959.

With regard to the amounts appropriated in this bill—and we have in this, agencies that operate overseas, to wit, the State Department and the U.S. Information Agency, the committee has by language in the bill directed that no less than \$46,989,000 or over 7 percent of the total amount recommended, be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States.

With regard to the Department of State, the committee has recommended the amount of \$217,610,000, which is a reduction of \$10,725,000 in the amounts of the budget estimates, and a decrease of \$24,326,352 below the amounts appropriated for the current fiscal year. However, included in the total amount for the current fiscal year are nonrecurring items such as the one of \$23,862,751 for a certain payment to the Philippine Government as well as another in the amount of \$5,296,302 for a certain payment to the Government of Denmark.

When all of the fiscal year 1959 nonrecurring items are taken into consideration, there is an actual increase allowed for the Department of State rather than the decrease reflected in the tabulation which is contained near the end of the committee report.

The first item in the bill is that for salaries and expenses of the Department of State. The amount allowed by the committee is \$111,500,000 which is \$2,535,100 over the sum appropriated for the present fiscal year. It is \$7,600,000 below the amount of the budget estimate. There was included in the requested amount of salaries and expenses the sum of \$2,800,000 for certain basic research and analysis activities which in past years have been financed by way of transfers from a certain other Government agency. After close inspection of the matter and after a discussion with a certain high official or high officials of the Government, the committee came to the unanimous conclusion that since these things were more a matter for the Defense Department than for the Department of State they should still be carried in the budget of the other agency and accordingly deleted that amount from this bill.

There have been included in this bill adequate funds for the opening of the new posts requested by the Secretary of State.

The committee has gone along with the proposal to set up a unit in the office of the Under Secretary for Economic Affairs to concentrate on, and combat, international Communist activities of an economic character on a worldwide basis.

In this connection I should at this point remark that the request of the Department of State to the committee was for 345 new jobs, 345 additional positions. The committee has allowed none of these 345 additional positions, with the exception of 10 of 16 requested in the office of the Under Secretary for Economic Affairs to which I just referred, as well as the requested positions for opening new posts abroad.

The committee was informed that already and at this time and in the current fiscal year there are 6 people in the State Department assigned to the Office of the Under Secretary for Economic Affairs for the stated purpose, so that the only additional positions they will need in that Office in the coming fiscal year 1960 will be the 10 positions to which I refer.

I shall now turn to the matter of "Acquisition, operation, and maintenance of foreign buildings abroad." We have included the amount of \$17,372,000 for this purpose. This is \$628,000 below the appropriation for the current fiscal year, and the committee requires that no less

than \$16,739,000 of the total amount allowed be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States. In effect, the actual American dollar appropriation for this program is \$633,000.

The committee has frowned on the program presented to it for a number of buildings to be constructed abroad for embassy attachés at an average cost of \$50,000 a residence, exclusive of the cost of the furnishings. Believe it or not, there was a request to expend \$220,000 of the taxpayers' money for a residence and furnishings for the American consul at Dakar, French West Africa. The committee has unanimously frowned upon a proposition such as the expenditure of \$122,283 for a house, without furnishings, for the consul general in Munich, Germany.

This program has gotten entirely out of hand. They are expending sums of money for residences of consuls and attachés which in many instances are far larger than the original costs of the residences of Ambassadors in countries abroad.

The committee found in connection with administration of this program that the foreign buildings office has expended \$721,106 in American dollars of the taxpayers' funds for architectural fees and engineering services of outside architects and outside engineers. For what? Specifically, for buildings that have never been constructed, for buildings on which construction has not been started up to now. We are not talking of three-quarters of a million cash dollars for constructing a building or buildings; we are talking about favored outside architects getting three-quarters of a million dollars of the taxpayers' money for plans of buildings that have not been constructed and for which no funds are requested in the instant budget.

The following is a list of these building projects which have not been started, the originally proposed costs and the amounts expended for architectural and engineering services:

Post	Project	Total	Cost of architectural and engineering services to date
Nigeria, Lagos.....	SH.....	\$160,000	0
Dominican Republic, Ciudad Trujillo.....	OB annex.....	300,000	\$13,681
Mexico, Mexico City.....	OB.....	3,000,000	144,646
Algeria, Algiers.....	OB.....	700,000	23,759
Canada, Niagara Falls.....	OB/CR.....	300,000	18,373
Finland, Helsinki.....	OB.....	1,000,000	48,124
Ireland, Dublin.....	OB.....	500,000	36,556
Poland, Warsaw.....	OB/SH.....	2,200,000	133,469
Burma, Rangoon.....	SH.....	160,000	12,720
Philippines, Manila.....	Communication building.....	115,000	7,875
Do.....	SH.....	500,000	38,870
Taiwan, Taipei.....	OB.....	870,000	52,752
Thailand, Bangkok.....	OB.....	930,000	62,098
Vietnam, Saigon.....	OB.....	1,000,000	60,478
India, New Delhi.....	ER.....	350,000	20,410
Iran, Teheran.....	OB/ER/DCMR.....	900,000	47,295
Total.....		13,045,000	721,106

It is also interesting to note that although the number of architects, draftsmen, engineers, and supervisors on the

rolls of the Office of Foreign Buildings, Department of State, increased from 18 in 1953 to 38 in 1958, the architectural

fees paid private concerns increased from \$77,771 in 1953 to \$549,874 in 1958. I shall read the following table:

Office of Foreign Buildings, Department of State

Fiscal year	Architectural and engineering fees and associated costs	Architects, engineers, draftsmen, and supervisors on rolls		
		Total	Department	Field
1949	\$70,922	27	19	8
1950	84,556	24	16	8
1951	339,273	21	13	8
1952	338,902	18	10	8
1953	117,771	18	10	8
1954	117,609	21	10	11
1955	650,697	26	12	14
1956	719,474	27	11	16
1957	1,104,679	38	11	27
1958	549,874			
Total	4,056,757			

This bill, of course, covers membership contributions to all the international organizations of which the United States is a member, starting with the United Nations and specialized agencies. It carries money for the International Boundary and Water Commission, United States and Mexico, for the American sections of international commissions, for the International Fisheries Commissions, and for international educational exchange activities.

In connection with the international educational exchange activities, the committee has included in the bill the sum of \$22,800,000. This is the same amount as was provided in the regular annual appropriation act for fiscal year 1959.

In addition to the \$22,800,000 carried in this bill for exchange of persons with countries abroad, I should mention that the Government has for this purpose \$129,633,897 in the current fiscal year and that in 1960 fiscal year these programs will total \$140,053,797.

The bill includes what the committee expects will be the last payment for necessary expenses for the construction of the Rama Road in Nicaragua.

I shall now turn to the Department of Justice. The budget estimates for this Department total \$275,075,000. The amounts recommended in the bill total \$264,100,000. This is a reduction of \$10,975,000 in the amount of the budget estimates and an increase of \$10,830,000 over the appropriations for the current fiscal year. I want you to pay attention to the fact that in this increase of \$10,830,000 over appropriations for the current fiscal year, over 55 percent is for the Federal Prison System.

The committee has included the entire amount requested, to wit, \$4.5 million, for enforcement of antitrust and kindred laws. This amount is \$362,000 over the appropriation for the Antitrust Division of the Department of Justice in the current fiscal year. This increase will provide 19 additional lawyers and 20 additional clerks. In recommending the increase, the committee has emphasized that it hopes for a vigorous and effective program of enforcement of the antitrust and kindred laws.

The committee has allowed the entire amount requested for the Federal Bureau

of Investigation, to wit, \$114,600,000. It has allowed for the Immigration and Naturalization Service the amount of \$55.5 million, which is an increase of \$1,792,000 over the appropriation for the current fiscal year.

With regard to the Federal prison system, the total included in the bill is \$49.1 million, which is an increase of \$6,056,000 over the amount appropriated in the current fiscal year. The appropriations for the Bureau of Prisons are contained in three separate items, the first of which is "Salaries and expenses," Bureau of Prisons. For this item the committee has allowed every nickel of the request, to wit, \$41,600,000, to provide for the custody, care, and treatment of prisoners in and the maintenance and operation of 32 institutions in the United States and the 5 jails and 1 camp in Alaska. This amount allowed is \$3,156,000 over the amount appropriated for the same purpose in the current fiscal year. This additional amount is to provide for a larger number of prisoners, additional personnel, increased maintenance needs, and equipment replacements. It will provide for the reactivation and full operation of the Federal correctional institution at Sandstone, Minn., beginning July 1, 1959. This institution will take care of 600 or more prisoners. The prisoners, to make up the population of Sandstone, will be transferred from the United States penitentiaries at Leavenworth, Kans., and Terre Haute, Ind., as well as from the Federal correctional institution at Milan, Mich. In addition, there is a new camp at Safford, Ariz., for which funds were appropriated last year and which will take care of 250 prisoners. A new camp has been activated in South Carolina with a capacity of 200 prisoners.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. This is slightly off the subject.

Mr. ROONEY. Well, please stay with this very subject, if you will.

Mr. GROSS. This is on page 3 of the bill.

Mr. ROONEY. Well, I have already passed the Department of State. If you will permit me to follow the ordinary sequence, I will answer any questions the gentleman has, and I will yield to him first when I conclude.

Mr. GROSS. I thank the gentleman.

Mr. ROONEY. With regard to buildings and facilities, Federal Prison System, the committee has allowed \$4,400,000, and the institutions to which these items refer are set forth at page 13 of the committee report. I am going to pass over the balance of the items for the Department of Justice and merely sum up the total amounts for the Federal judiciary. There is not much that can be done with regard to savings in such items. We must have the courts, we must have law enforcement, we must have the Government's law office.

Referring to the Judiciary, the total amount of the budget estimates was \$51,039,600. The committee recommended the amount \$48,703,900, of which

\$5,006,500 is from the special accounts for salaries and expenses of referees.

Proceeding along, we get to the U.S. Information Agency which presented a request for three items, to wit, "Salaries and expenses," "Acquisition and construction of radio facilities," and "Payment to informational media guarantee fund." The total included in the bill for these three items is \$113,057,300.

In addition to the amount \$113,057,300 carried in the instant bill, the Agency expects to obtain \$4,654,029 in foreign currencies generated as the result of so-called Public Law 480, currencies generated by the sales of surplus agricultural commodities.

With regard to the acquisition and construction of radio facilities, the committee has allowed \$9 million, which is a reduction of \$1,938,000 in the amount of the budget estimate.

I shall later describe in the remainder of the time allotted to me what has gone on with regard to the matter of the radio facility which has been proposed for the east coast, formerly known as Baker East.

The committee has allowed the same amount for the coming fiscal year as was allowed in the current fiscal year for payment to the informational media guarantee fund.

With regard to the President's Special International Program: This is the program that covers the trade fairs, and those delightful trade missions where favored people are given a free trip abroad, to attend a trade fair and who must belong to a certain club in order to do so; and also includes the acrobats and opera singers. The committee has allowed the amount \$6,145,500 to carry out the provisions of this "International Cultural Exchange and Trade Fair Participation Act of 1956." There will also be available an unobligated balance of \$265,000 from the so-called Brussels Fair.

In connection with the Brussels Fair, I shall have some remarks a bit later on, and I do hope that the Members will have an opportunity to read the hearings which show exactly what went on with the taxpayers' money at the Brussels Fair.

In connection with the trade missions to which I made reference a moment ago it was proposed this year to take this item away from this committee. I do not know whether they thought we were too investigatory, or why—I have heard various alleged explanations, but while we would continue to carry the money for the trade fairs in this bill, Admiral Strauss, Mr. Kearns, and the Department of Commerce wanted to carry these favored trade mission members over in the Department of Commerce bill. So, with the cooperation of the members of the Commerce Subcommittee, we have crossed them up a bit and we have continued to carry the amount for the trade missions in this bill and cut it out of the Department of Commerce bill which will come to the floor, I believe, next Thursday.

Finally, you will find in this bill funds for the Commission on Civil Rights. The committee has recommended the amount

\$280,000 for the continuance of this Commission which by law is to cease to exist 60 days after September 9, 1959.

The amount requested, \$288,000 and the amount allowed were and are to cover the period from July 1 to November 9, 1959.

Now, with regard to the U.S. Information Agency, they publish a very nice illustrated magazine that is allegedly sold in Moscow, and another edition of it allegedly sold in Warsaw. Some years back—and when I say some years back, I mean back 8 or 10 years ago—we had as good if not a better illustrated magazine sold in Moscow which did not cost the taxpayers a nickel. As a result of arrangements then made, the amount collected on the sales covered the cost of the publication and distribution of that magazine. But, today we find with regard to the edition put out in Polish, in Warsaw, the Polish Amerika Illustrated, that in the coming year it will cost the taxpayer \$1.94 a copy. And what do you think the taxpayer gets back out of that \$1.94 a copy? I will refer to page 273 of the printed hearings and the following question and answer:

Mr. ROONEY. Excuse me, \$1.94 is right. What is your estimated return per copy in 1960?

Mr. SORKIN. About 3 cents, sir.

With regard to the one allegedly sold in Russia, you will find testimony on that at page 277 of the printed hearings:

Mr. ROONEY. So, if I understand this correctly, it cost \$1.32, or more, to produce it, and the actual net return is about 13 cents a copy; is that correct?

Mr. SORKIN. Yes, sir.

This Agency, without permission from anyone, without even consulting the Appropriations Committee of the House or the Senate, used \$65,000 to upgrade—now mind you, I am not talking about the pay increases that everybody in the Government including those in USIA had last year, but over and beyond that in varying amounts, some of which are substantial, they upgraded 93 people at a cost to the taxpayers of \$65,000. They did not request money for this purpose in their 1959 budget, they just went ahead and did it. That is the way they operate. Very often some Members and the public want to know why they get into trouble. Well, they get into trouble because of some of the darn fool things that they do. For instance, we have what is known as the giveaway program. Technically, they like to call it the presentation program. They give away books. Every year we come to you with ridiculous instances.

Perhaps I should admit they are no more ridiculous this year—they are just being consistent. They gave the king of a certain country three books on trout fishing at a cost of \$40—\$40 of the taxpayers' money. What do you suppose we are to get for these three books that cost \$40 on trout fishing? One of the gentlemen was so naive as to say that one of the criteria for doing a thing like this is that the recipient would be induced to take action favorable to the United States, or to the welfare or advancement of his own country consonant with the objectives of the United States. Now

maybe I do not know what this is all about—could be—and maybe I do not know whether the \$40 was well spent. But I do know the public is entitled to know about it and that they should also know that USIA is still giving away sets of the Encyclopedia Britannica at a cost of \$204 a set. I am not sure the condition of the world has bettered to such an extent as to prove that the results of these giveaways have helped us—I do not know. We found that in a certain country—Mexico, as a matter of fact, at a place called Merida, they spent \$35 of the taxpayers' money to give a certain book to a certain government official who is the director of civil aviation at the airport there. What do you think the book was? It was the manual of a Douglas DC-4. It did not occur to anybody that they might get in touch with the Douglas Aircraft Co. and get a manual for nothing or at least try to do so. Instead, they used \$35 of the taxpayers' money to present him with this book.

If you will recall, last August, Mr. Chairman, we had a supplemental appropriations bill here on the floor of the House. If you remember, I opposed the allowance of \$10 million in that bill for the start of a new radio transmitting facility down in North Carolina. I opposed it then because we had not had an opportunity to hold hearings on it and because USIA had spent taxpayers' money in the same area some years before for the acquisition of the same radio facilities. When the new administration came into office they canceled the North Carolina project with a lot of fanfare, and the taxpayers lost \$1,217,000 cash money by cancellation of the contracts.

Now, a number of years have gone by since that happened on March 20, 1953, and in all the years 1953 to 1959 never was there a request in a regular bill for funds for this purpose. There were two men who signed the convincer, the convincing document which canceled the contracts. One of them was Mr. Streibert, who was subsequently made the head of the Information Agency and was the head of the U.S. Information Agency for about 3 years.

Now the U.S. Information Agency comes along and in effect says that Mr. Streibert did not know what he was talking about. "Why? It is the best site in the United States for a broadcasting facility," they say, and so we are going back there again to North Carolina to build a transmitting facility.

Before 1953 they bought the land there in North Carolina for about \$83 an acre. In 1956 the Agency permitted this land to be sold for \$44 an acre. What they are doing down there now is exactly what I said when I opposed the supplemental appropriation last August, they are buying similar land in practically the same area for \$200 an acre.

Sometimes I wonder if they are coming or going as I listen to so many changes in their presentations before this committee and listen to so many different ideas. Going back to 1953 Dr. Johnson was the head of the Agency when the new administration came in. He was followed by Mr. Streibert, whose

successor I think was our friend Arthur Larson, "Mr. Republican." During all these years since 1953 they never asked the Congress for any funds for radio facilities but told us their broadcasting was perfect. Why? The Voice of America was crashing through the Iron Curtain; we were doing fine. Now they come along in 1959 and tell us that much of the Near and Middle East and the Balkans and Black Sea area of the U.S.S.R. are beyond medium-wave coverage, that large areas of the Soviet Union from the Urals to the Pacific are beyond shortwave coverage, that almost the entire African Continent is beyond the range of Voice of America transmitters, that almost the entire southern half of South America is beyond the Voice of America shortwave coverage; and that almost half of China and important areas including Pakistan and Indonesia, are beyond the effective range of the transmitters. With this sort of situation the Agency went to the President's Bureau of the Budget and asked a certain amount of money, to wit, \$21 million to help cure it. And what did the White House and the Bureau of the Budget do but cut them from \$21 million to \$10.9 million. Now, is there an emergency or is there not an emergency? Or are they interested in buying land at \$200 an acre in North Carolina? I just do not know. But I am afraid to take a chance.

So the committee has in effect allowed the money for this newborn or once again resurrected facility in North Carolina with the expectation that it will be finally built for a total of \$25,345,850 and with the understanding that the sum of \$1 million from previously appropriated funds which the Agency possesses for acquiring sites and preliminary work on overseas projects, be used toward the cost of construction in North Carolina.

I may have cut myself a bit short on time, or perhaps I am not speaking rapidly enough, but there are many other things I would like to cover in this presentation. I particularly wanted to show you that although the Appropriations Committees were informed by the Director of the so-called Brussels Fair American pavilion that the taxpayers would have an income of \$30,000 to \$40,000 per week from the performing arts program at the fair and that that money would be turned into the U.S. Treasury, it turned out that with all of the seven hundred and some odd thousand dollars, \$700,469 to be correct, spent for the performers and actors, the only income to the U.S. Treasury was in the amount of \$17,055.70 and that \$10,066 of the \$17,055.70 came from the Benny Goodman Orchestra, which performed through the courtesy of and at the expense of Westinghouse Broadcasting Co.

The Brussels Fair management had nothing to do with them. They were not hired or engaged by the American Brussels Fair organization. But they contributed \$10,066 into the U.S. Treasury. The distinguished artist Jose Iturbi had a contract under which he could have collected \$851.10 from the American pavilion. Jose Iturbi turned over to the Government of the United States the

\$351.10 he could have claimed and it went into the U.S. Treasury.

The total attendance for the American performing arts attractions at the fair was 211,277. The so-called attractions cost \$683,594 net. This means that the American taxpayer had to expend \$3-plus a head for every person who saw our performers at the American pavilion in Brussels.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman spoke about prisons. I am intrigued by the language appearing on page 3:

Rent and expenses of maintaining in Morocco institutions for American convicts.

What have we going in Morocco by way of a penal colony or prison?

Mr. ROONEY. This language has been carried in the bill for many years.

Mr. GROSS. What do we have there?

Mr. ROONEY. We have a treaty with Morocco and under this treaty we must expend certain money for institutions for American persons declared insane.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Washington.

Mr. MAGNUSON. This provision has to do with rent and other expenses of maintaining in Morocco institutions for American convicts and persons declared insane by any consular court and care and transportation of prisoners and persons declared insane.

Mr. GROSS. These are American convicts. They are not Moroccans.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BOW. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. ROONEY. I thank the distinguished gentleman from Ohio.

But I am not so much worried about the matter of a treaty and this situation in Morocco as I am with the mismanagement of recent affairs. In the case of a treaty, that is a gentleman's agreement, it is a signed agreement, and the signer must carry it out. I am concerned with things of today, like the running of the Brass Rail Restaurant at the Brussels Fair. In connection with that restaurant the Government advanced a couple of hundred thousand dollars of the taxpayers' funds. Immediately the Brass Rail Restaurant went out and put the touch on Pepsi Cola, Trunz' hot dogs, Schweppes beverages, and so forth and collected \$197,500 in such contributions, twice as much as they paid for 6 months rent at the fair.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Iowa.

Mr. GROSS. How much is in this bill for liquor and entertainment?

Mr. ROONEY. There is \$825,000 in this bill for representation allowances, Department of State.

Mr. GROSS. Does not the gentleman know that there is representation and entertainment allowances scattered

through this bill to the tune of about a million dollars?

Mr. ROONEY. I thought the gentleman wanted the meat of the thing. The meat is for representation allowances, and so forth, \$825,000. You will also find funds in this bill for entertainment and—I do not know—shall I use the word "whisky"?

Mr. GROSS. I will supply it to the gentleman.

Mr. ROONEY. But, at any rate, there is an allowance for the U.S. Information Agency.

Mr. GROSS. Is there any money in this bill for the special fund in the United Nations? I notice you went into it to some extent in your hearings, but I cannot find an appropriation in this bill if it is there. That is Paul Hoffman's new enterprise.

Mr. ROONEY. SUNFED?

Mr. GROSS. No. This special fund. It started out to be SUNFED, but apparently it attracted some opposition, SUNFED, so now they simply call it special fund.

Mr. ROONEY. I am pleased to inform the gentleman that there are no funds in this bill for that purpose.

Mr. GROSS. I am glad to hear the gentleman say that, so I will keep a wary eye open in the giveaway bill when it comes before us shortly.

Mr. ROONEY. In conclusion, I think the committee has written a pretty fair bill. This bill does not wholly express the ideas of any one member of this committee or of any one of the nine who sat in on the markup of it. I think that it is well rounded to the extent that every dollar absolutely needed is provided and to the extent that every dollar not needed has been excised from the bill. I trust that when this bill is read under the 5 minute rule the Committee of the Whole will support the Committee on Appropriations in all instances.

Once again I want to thank my colleagues on the subcommittee including the distinguished gentleman who is going to follow me here on the floor, the gentleman from Ohio [Mr. Bow], for their cooperation and their assiduous devotion to duty over a period of more than 3 months in bringing this bill to the floor of the House.

Mr. BOW. Mr. Chairman, I yield 10 minutes to the gentlemen from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, first of all I want to pay tribute to the chairman of this subcommittee, the gentleman from New York [Mr. ROONEY]. We often differ, but I want to tell you that no one can read the hearings, particularly the Department of State hearings, without appreciating the fine work that the gentleman has done on this bill. And, when I offer some amendments later to make some cuts in this bill, I want it thoroughly understood that I am not standing here now praising him and the other members of the subcommittee, especially the gentleman from Ohio [Mr. Bow] and the gentleman from California [Mr. LIPSCOMB], who have taken an active part in the hearings—I am not standing here now praising the gentleman and then by virtue of offering

amendments to cut some of the features of this bill damning him with faint praise; not at all. No Member could read the State Department hearings particularly without being enlightened on one hand and nauseated on the other by some of the things that have gone on.

I do want to ask the gentleman a few questions. I wonder if there is any money in this bill for the Atlantic Congress, something that I heard about just a few days ago. I cannot seem to find out where the funds will be forthcoming for this meeting of the Atlantic Congress that is to be held in London in June. I wonder if the gentleman could enlighten me?

Mr. ROONEY. There is no money in this bill for the Atlantic Congress.

Mr. GROSS. There is for the NATO Parliamentary Union.

Mr. ROONEY. You mean the Interparliamentary Union, of which you are a member?

Mr. GROSS. They are both in here.

Mr. ROONEY. You are a member of the Interparliamentary Union, are you not?

Mr. GROSS. No.

Mr. ROONEY. Well, you showed up at a meeting some months ago and were making motions.

Mr. GROSS. I appreciated the gentleman nominating me.

Mr. ROONEY. Yes, I did nominate you; that is true.

Mr. GROSS. Yes, the gentleman nominated me, and I had to tell him at that time that I was like a political figure of some years ago who said "If nominated, I will not accept, and if elected, I will not serve." So, we got out of that one all right. I understand that there is no percentage increase for the United Nations and its subsidiary organizations; there is no percentage increase provided here, but there is an increase in money, is that correct? May I ask the gentleman from Ohio [Mr. Bow] if there is an increase in the appropriation?

Mr. BOW. That is correct.

Mr. GROSS. In other words, we are learning day by day and week by week and month by month that the limitation on our percentage contributions does not mean a cockeyed thing, does it?

Mr. BOW. I am afraid the gentleman is correct.

Mr. GROSS. In other words, what these foreigners do is simply go—and our own people too often join them—to these meetings at New Delhi, India, or Warsaw, or some place and vote to increase the U.S. contribution; that irrespective of the fact that we tried to fix it at 33½ percent, our cash contributions have been increased? That is about the way it goes, is it not?

Mr. BOW. I think the gentleman is correct.

Mr. GROSS. Is there any way we can possibly meet that except to cut the funds; does the gentleman know?

Mr. BOW. Will the gentleman yield?

Mr. GROSS. I yield.

Mr. BOW. I am afraid that under the treaty we have entered into we have submitted ourselves to the findings of this tribunal. By legislation we have set the

percentage at 33⅓, as I recall it, but still we are bound by what they do at these conferences. If we cut the funds and do not have the money, then we become delinquent. I will say to the gentleman that there are some items I would just as soon be delinquent in. When the gentleman is asking these questions of me, he is asking a friend in court, I will say to him. I think these funds are too high. I think in many of the agencies we are spending much too much on things that have nothing to do with peace in the world. I agree with the gentleman.

Mr. GROSS. From reading the very complete hearings of the committee I find that these various organizations under the umbrella of the United Nations are short on their own contributions to the tune of—and I did not use an adding machine and I am not much of a mathematician, but my figures show that they were at least \$22 million in the hole on their contributions.

Mr. BOW. The gentleman is correct.

Mr. GROSS. I quite agree with the gentleman from Ohio [Mr. Bow] that it is about time we became delinquent on some of these contributions. And I am going to give the House the opportunity to join in this matter of delinquency, because I am going to offer an amendment to really cut the American taxpayers' contributions to these international organizations.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. SIKES. The gentleman has brought up this subject a number of times, and he is exactly right in doing so and is to be commended for his interest in wanting to see this item cut. I want to see it cut. I think most of us on the floor want to see it cut. But, as the gentleman knows, if he has read the hearings—and I know he always does read the hearings carefully—he realizes that the only way these amounts can be cut is either through a revision of the treaty or by a change in the legislation which would have to be brought to the floor by the legislative committee. All we do is get the bill, and if we do not pay the bill then we are delinquent, and they say that Uncle Sam does not pay his bills. I am sure the gentleman realizes that.

Mr. GROSS. I am very well aware of that, and I am perfectly willing to stand here and say that, in the interests of the American taxpayers who are burdened with a debt of \$288 billion, I am willing to become delinquent in contributions to some of these foreign organizations. I think it is time that they showed a disposition to carry out their end of the bargain.

Mr. SIKES. If the gentleman will yield further, I should hope that we would be able to get a change in the basic law so that we would not become delinquent and would not owe the money for what I do not think we ought to be billed, and the gentleman does not think we ought to be billed for.

Mr. GROSS. That is exactly right. That is the proper way to work it out, but I do not think the committee will see that accomplished, when some of our

own people go to these meetings—and that is one of the reasons why I cannot support all of these missions on which we send Americans, because all too often they go on these jaunts and sell us down the river. That is what happens to us in this matter of increasing contributions which are made by the taxpayers of this country. We do not put up the money, the taxpayers put it up.

I am intrigued when I read the titles to this bill: "International Organizations and Conferences"; "Contributions to International Organizations"—and that is \$48 million plus; and then "Missions to International Organizations," and "International Conferences and Contingencies."

It seems to me that it is about time all of these should be pulled together under one heading, and then give Members of the House some line items to work on. I do not see any difference in a half a dozen of these subdivisions that are set out here, and I would criticize the bill on that score.

I wonder if the gentleman from New York [Mr. Rooney] feels in reference to the crating and storage situation in Washington, D.C., which involves the spending of a lot of money, that the committee with the splendid inquiry they made into the subject, has accomplished anything toward stopping these boys from collecting—what is it—22 percent to 38 percent more than they should?

Mr. ROONEY. Fifty-five percent more in the case of two prominent warehouse concerns.

Mr. GROSS. It is even worse than I thought it was.

Mr. ROONEY. Well, I do not know exactly how to answer my distinguished friend from Iowa. Sometimes I think that there is some intelligence down there and that these people understand the reaction of the public to the matters developed in the hearings. And then I run into someone who says, "The boys in striped pants don't give a hoot about it, because it is only in the newspapers for a couple of days and the Committee on Appropriations only functions with regard to the bill for a couple of days, and we will be around the rest of the year, and we will just do as we please."

What is going to happen with regard to these excessive packing and crating charges, I do not know.

I do know if I were in the department, it would not take me more than 10 minutes to decide that I would insist upon every Foreign Service officer about to go abroad getting three estimates, doing it on a competitive basis and picking the low bidder. Instead of that, although this has been brought to their attention a number of times, they are still playing with it—because the club does not unanimously agree.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BOW. Mr. Chairman, I yield 3 additional minutes to the gentleman.

Mr. GROSS. I thank the gentleman from Ohio.

They are required in a foreign country where facilities are available to get three bids; are they not?

Mr. ROONEY. Of course, they are.

Mr. GROSS. But not so in this country?

Mr. ROONEY. May I say to my distinguished friend that they do not have a couple of retired foreign service officers working for them abroad as lobbyists and soliciting the work.

Mr. GROSS. I thank the gentleman.

Now, I would like to ask a question or two about the civil-rights provision in this bill. I read your hearings carefully trying to find out who appoints the chairman of the various State advisory committees or commissions. Can anyone tell me who appoints the chairmen of the State committees?

Mr. ROONEY. I can merely say that I do not know the answer. It would be in the underlying legislation, and it would not be the concern of this committee. The concern of this committee is whether or not they justify the amount of money that they request.

Mr. GROSS. Of course, the money is being appropriated in this bill to bring the State chairmen to Washington to a conference, and I just wondered who appoints them and what standards are used in the matter of appointments.

Mr. ROONEY. I heard a voice in the rear say it is the Republican National Committee, but I think that the gentleman was thinking of the census, perhaps.

Mr. GROSS. Of course, it could be both.

Now, I notice an item on page 23 of the bill which provides for a \$6,300 automobile for the Chief Justice of the U.S. Supreme Court. I also notice, and I believe it is on page 4 of the bill, the purchase of 10 vehicles which may be purchased at not to exceed \$7,800 each. Are we not getting up pretty high in this automobile business?

Mr. ROONEY. Yes; I think they are going up too high, too, but the Department claims they cannot get them for less. We used to be able to furnish the Secretary of State with a Cadillac for \$4,000. Now they say \$7,800 is the least for such an automobile. In the case of the car for the Chief Justice, that is one of those \$500-a-year cars and the money which makes up the \$6,300 is for the chauffeur's salary.

Mr. GROSS. I have always been intrigued about this car-hire business. I still do not understand how the Government or any individual can hire a Cadillac for \$500 a year. Sometime I am going to find out—I must be dumb.

Some day when one of these Government training school bills comes along I may suggest a training school be established here in the District of Columbia for outgoing brass hats to give them a refresher course in driving an automobile. The chauffeur-driven Cadillacs are getting mighty thick. It may be difficult to find an instructor who can teach these Government officials how to drive a car with one hand while holding and reading a newspaper as is their back-seat pleasure now.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. ROONEY. May I recommend the Foreign Service Institute for such a course.

Mr. GROSS. Yes; I read your hearings with much interest in connection with Dr. Hoskins and his institute because I paid a personal call on Dr. Hoskins last December and looked over his place in Arlington Towers. I think that is another one that can be whittled down one of these days by the Committee on Appropriations and nobody will be hurt at all.

WE CAN'T HAVE EVERYTHING

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter. The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, the Agricultural Adjustment Act of 1938, and the amendments thereto, gives payments to the growers of six basic products, among them, wheat.

Stanley Yankus, of near Dowagiac, Cass County, Mich., produces eggs for market.

He has always grown as large a portion of the feed for his hens as he could, and, in addition thereto, purchased several thousand dollars worth of poultry feed each month.

He learned in 1955 that, under the AAA, he was limited in the production of wheat which he fed to his poultry to that which he could grow on 15 acres of land.

He was also advised by me that the Supreme Court had upheld the constitutionality of the act and that, if he planted more than 15 acres—though he sold not a kernel but fed it to his poultry—he would be subject to penalty.

Protesting, Yankus planted more than 15 acres, harvested the wheat, fed it to the poultry. He incurred the penalty and was ordered by the court to pay something over \$5,000 by way of fines, costs, and interest.

He planted because he believed, notwithstanding the decision of the Supreme Court, that he had the right to use his own land as he might desire when he injured neither his neighbors nor any citizen of the United States.

The farm program has not worked.

We have a greater surplus today than ever before—wheat enough in storage to last us more than 2 years—and an ever-increasing cost in storage fees.

Yankus paid the fines assessed against him—and to publicize the foolishness of, and the hardships caused by, the act, sold his farm and decided to go temporarily—and has gone—to Australia with his family.

Whether the people will be aroused by the sacrifice which Stanley Yankus is making remains to be seen.

We all know that the program as a whole does not lessen but rather increases production—but, to date, there are individuals and organizations with sufficient political influence to prevent the repeal of the act, or the enactment of a worthwhile modification of the law.

Many are receiving payments under this act running into hundreds of thousands of dollars—one individual is said to have received over a million dollars.

No longer is there "equal justice under law."

It is an acknowledged fact that the program has failed—that surpluses have increased—and the Congress and the Supreme Court have established the doctrine that all may be taxed for the benefit of a few, notwithstanding the net result, but increases the danger sought to be lessened or eliminated by Federal control of the individual's activities.

The situation is summarized in next Saturday's editorial of the Saturday Evening Post, which reads as follows:

CONTROLLING FARM PRICES LEADS TO CONTROLLING FARMERS

Stanley Yankus, a poultry farmer at Dowagiac, Mich., who fed his chickens with wheat grown on his own farm, has decided to emigrate to Australia, where he hopes to find farming less complicated. Over here he was fined more than \$4,000, for theoretically having increased the national wheat surplus.

Despite the furore aroused by the virtual confiscation of Yankus' property for this alleged crime, the Government continues to bring these suits. One concerns Evetts Haley, Jr., who lives in Texas and raises wheat in Oklahoma. He is a cattleman and got into trouble with the bureaucrats by raising feed for his cattle. He lost his case, although a Texas Federal district judge ruled in his favor on the ground that the law was unconstitutional. The Supreme Court reversed the decision, and Haley has to pay.

Secretary of Agriculture Benson, violating the pattern of bureaucracy, wrote to Yankus, congratulating him upon his courage, explaining that he had no way of making exceptions in the law that is administered by his own Department.

More recently, Mr. Benson told a gathering at the annual Farm and Home Week, Cornell University, that he, as Secretary, is required to administer "the most costly, irrational, hodgepodge program ever patched together." He cited the results of a recent poll by a national farm magazine which "showed that 8 out of 10 of the farmers want greater freedom and less Government in farming."

Since the price support—virtual subsidy—is the pivotal question, being the pretext for imposing fines for alleged overproduction, Mr. Benson quoted a breakdown of the ballot which showed that 55 percent voted for "no supports, no controls, no floors, free market prices, get the Government clear out. Another 15 percent favored emergency supports only. Another 8 percent wanted adjustment supports such as recommended by the administration. Only 22 percent wanted more Government price help."

His final conclusion was, "If this is what farmers want, what are we waiting for? What is Congress waiting for? We've made our recommendations, why don't they act?"

We have to face this question fairly: Does a sane agricultural policy require such unfair, unpopular, and generally cockeyed laws?

Mr. BOW. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, there have been eulogies here today far better than I could make on the passing of a great and distinguished American. One of the great pleasures I have had in my service in the Congress and on the Appropriations Committee has been to be able to meet John Foster Dulles and to have him appear before our committee in justification of these appropriations over the past 6 years.

The gentleman from New York said that what he might say in his debate upon this bill should not be construed

as having any reflection whatsoever upon that distinguished gentleman who has just been taken from us. I know how much he means that, for Mr. Dulles while he was Secretary of State, on several occasions spoke to me of the great regard he had for the gentleman from New York [Mr. ROONEY]. Mr. Dulles has said on occasions that the searching examination, the fine-detailed work that the gentleman from New York [Mr. ROONEY], does on this bill has been of great service to the Department of State and has meant much to them over the years. Mr. Chairman, I feel that if Mr. Dulles could speak now he would say that the gentleman from New York, chairman of this subcommittee, has made real contributions to the Department of State.

In this bill as we have reported it to the House today there is on the report unanimous agreement, but not on all items.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Obviously a quorum is not present.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 52]

Alger	Farbstein	Norblad
Andersen,	Flynn	Norrell
Minn.	Fogarty	O'Konski
Ashley	Frelinghuysen	Perkins
Balley	Garmatz	Philbin
Baker	Gialmo	Pillion
Barden	Glenn	Powell
Barrett	Granahan	Prokop
Bass, Tenn.	Green, Pa.	Reece, Tenn.
Bates	Hall	Riehlman
Baumhart	Harris	Rivers, S.C.
Betts	Healey	Roberts
Blitch	Hiestand	Roosevelt
Bonner	Holland	Santangelo
Brewster	Irwin	Saund
Broomfield	Jarman	Saylor
Brown, Mo.	Johansen	Scherer
Broyhill	Johnson, Md.	Schwengel
Buckley	Jones, Ala.	Sheppard
Cahill	Jones, Mo.	Shipley
Canfield	Kilburn	Siler
Casey	Kluczynski	Spence
Celler	Lafore	Springer
Chamberlain	Laird	Taylor
Chelf	Landrum	Teague, Tex.
Clark	McCulloch	Teller
Cooley	McMillan	Thompson, N.J.
Cunningham	Macdonald	Thomson, Wyo.
Daniels	Mason	Toll
Dent	Moeller	Walter
Diggs	Moore	Watts
Dollinger	Moss	Westland
Dorn, N.Y.	Multer	Wharton
Downing	Mumma	Withrow
Fallon	Nix	Zelenko

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7343, and finding itself without a quorum, he had directed the roll to be called, when 329 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. BOW. Mr. Chairman, I had just stated before the quorum call that this bill is one which the subcommittee is in practical agreement on the report, but not on every item in the bill.

The gentleman from New York raised some questions on several items which I would like to discuss very briefly. There are some items with which I do not agree with my friend, the gentleman from New York. On one item he said that the entire committee unanimously frowned upon it. I do not agree that it was unanimous, that is the question of the acquisition of buildings abroad, the FBO program. I refer directly to the report of the committee which states that for many years now the committee has approved this program whereby office space and living quarters for American employees are obtained through the use of foreign credits in localities where suitable facilities are not available. With that I agree. On the question of acquisition of buildings abroad, the committee in its statement has this to say:

However, it seriously questions the propriety of purchasing residences for embassy attachés at an average cost of \$50,000 per residence, exclusive of the cost of furnishings.

I say to the members of the Committee and to my distinguished chairman that this certainly is not the first time we have seen in this bill \$50,000 for embassy attaché residences. The fact of the matter is it first appeared in the bills back at a time when the gentleman's party was in control of the executive branch of the Government, and when his good friend, Mr. Larkin, was head of the FBO and I call attention to the fact that the gentleman from New York [Mr. ROONEY] on page 164 of the State Department hearings of the 83d Congress had this to say:

I have known Mr. King's predecessor, Fritz Larkin, ever since I have been a member of this committee; and I have known Mr. King all during that time. They are men of the highest integrity and great ability and they have administered this program with practically little or no cost to the American taxpayer.

Then he goes on to say "Mr. King has my confidence." But on that same page, where Mr. King was submitting what was the budget submitted by the former administration on page 190 of the hearings on the budget, I call your attention to this. I said:

Mr. King, I notice you have retained this new justification for attaché housing at \$500,000. That appears at page 384 of the budget.

Mr. KING. Yes.

Mr. Bow. How many houses do you intend to build for attachés?

Mr. KING. Either 10 or 11 in this list.

Then I said:

Then you would have undoubtedly in this 10 houses. I understand that you are asking \$50,000 a house for the military attachés.

Mr. KING. Yes; exclusive of furnishings.

In the previous administration they were asking for the same amount which the committee now is saying is excessive, probably because it is now being asked for by the present administration.

You will see that there is some criticism there of the use of architects. If the House were moving along in leisurely fashion, which it is not, I would point out the language in some other hearings

where the gentleman from New York and Mr. King also recommended that the private architects be used, and pointed with some pride to the fact that private architects were being used.

And I might say that, using 1953 as against our bill of 1958 in the report is not a fair comparison. In 1953, however, very few of these buildings were being built, but in 1958 we have a full-fledged program in progress, and the amount of increase in personnel is small compared with the increase in the actual volume of work being done.

Again on architects' fees may I say that the program as I recall it in 1953 ran something less than \$7 million, but they are running \$18 million now under that program using about \$2 million of the taxpayers' money in cash appropriations as against the amount of \$633,000 in this bill. So when you take the records and check against operations you will find a very considerable improvement has been made.

There are many other items in the bill which I will mention in my extension of remarks in the Record. May I say, Mr. Chairman, that we have heard a great deal of late about the State Department and its employees. I should like to pay tribute to the many fine Americans throughout the world who are devoting their time and their talents to the preservation of a free world and the preservation of the things we believe in. We can criticize, we can pick out isolated instances here and there, but it seems to me quite unfair that a group of fine Americans such as the ones we have in the Foreign Service should be basely and unfairly criticized. I do not believe that all this fine group of Americans has been recruited in the last 6 or 8 years; many of them have been there years before. But to pick out a group and tag them as "ugly" Americans seems to me is most unfair to a group of fine American citizens who are doing an outstanding job for our Nation; and I, for one, resent such treatment. We must admit that even in our own group we could find some members subject to even more criticism and they could probably call us the "ugliest" Americans. The same things happen to members of any group, but it is unfair to characterize the entire group because of the shortcomings of a few. In the future let us look upon this group of Americans doing this job for us for what they are really worth; let us remember the hardships they endure, the difficulties under which they live, the disease to which they are subjected, the poor living conditions many of them have to endure, as well as poor working conditions, and give them the measure of credit to which they are entitled. Undoubtedly some of the accusations have been true, but many of them have been most unfair.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman from Ohio yield?

Mr. BOW. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I will say to the gentleman from Ohio that I honor him very much for standing up for the people

we send out in our Foreign Service. They do not have a chance to defend themselves. They are a very high type of individual, competent and qualified, yet they are in a position where they must submit to criticism with no opportunity to answer back.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. ROONEY. It is a fact, is it not, that in the Foreign Service there are a great many capable, splendid people—and there are people in it whom I have known for many years. They have a rate of pay and have a retirement system and other benefits that the average Government employee does not have, is that correct?

Mr. BOW. I think that is correct, but that has been done through the wisdom of Congress, recognizing their responsibilities and recognizing the areas in which they serve.

Mr. ROONEY. Recognizing the areas in which they serve and the hardships under which they serve, and so forth. Would the gentleman condone 40 percent of that Foreign Service being right here in Washington?

Mr. BOW. I would say to the gentleman I do not completely approve of the Wriston report, but it seems to me that when the Wriston report was adopted and we Wristonized these people, the Congress adopted it, they put the employees of the State Department under the Foreign Service, then they would be sent out so that we could bring people back from abroad. That is a matter the Congress has adopted.

Mr. ROONEY. I must compliment the gentleman. Certainly he has done very, very well, considering the argument with which he was confronted. But it is a fact that 40 percent of the Foreign Service is located in Washington; is that correct?

Mr. BOW. There are approximately 1,500 Foreign Service officers designated positions in the Department. There are 1,364 Foreign Service officers in the United States now filling these positions.

The reason for having this number of Foreign Service officers in the Department seems clear. The plans which are made, either program or administrative, and the decisions arising therefrom must be made by men who have had experience abroad and will understand the ramifications involved when such plans and decisions are applied at our Foreign Service posts. Similarly, the man in the field cannot properly or effectively interpret and follow the various directives and instructions sent out from Washington unless he has had the experience of working in the Department. This was one of the prime factors recognized by the Secretary of State's Public Committee on Personnel—Wriston Committee—in 1954. This committee recommended and the Secretary agreed that the integration into the Foreign Service of persons with needed skills and the rotation of officers between Washington and the Foreign Service posts abroad are essential to build and maintain the kind of Foreign Service we need.

It was recognized also that Foreign Service officers, after serving a reasonable tour of duty in Washington, could more effectively represent the American point of view in their work overseas.

In view of the considerations advanced above, the Department now follows a policy of staffing with Foreign Service officers those positions in the Department which are closely connected with the conduct of our foreign relations. These Foreign Service officers are not permanently stationed in the Department, however. After a tour in the Department of, say, 4 or more years they are prepared for another assignment abroad.

Mr. ROONEY. It is the fact that the testimony before the committee was that 40 percent of the Foreign Service are in Washington?

Mr. BOW. The gentleman is correct. Mr. Chairman, reference has been made to transfer cost. May I say a word on that.

A comparison of the roster of transfers approved in fiscal years 1957 and 1958 shows a reduction of approximately \$200 in the average cost for the 1958 transfers despite an increase of 5 percent in air fares in the spring of 1958 and increases in steamship rates in various parts of the world. This decrease was effected mainly by reducing the number of high-cost transfers and curtailment of air shipment of household effects to Europe. During the past year the Department has taken further steps to reduce transfer costs by careful screening of assignments, reduction in excess baggage allowances and reduction in the number of excess shipments of household effects approved.

Total funds required for transfer of personnel have increased during the past few years. However, it is to be remembered that the size of the Service has increased, making a larger number of people to be transferred. For example, the increase of \$176,000 required for 1960 is for the purpose of sending newly appointed employees overseas for the first time.

Emergencies because of health, acute political crises, or other compelling reasons may occasionally require an abrupt transfer involving considerable travel expense. This may set in motion a related transfer or transfers to keep essential positions filled. Every instance of direct or emergency transfer before completion of a normal tour of duty is subjected to the severest scrutiny before approval, the cost factor being an important element in the consideration.

Mr. BOW. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

REPRESENTATION ALLOWANCES

For representation allowances as authorized by section 901(3) of the Foreign Service Act of 1946 (22 U.S.C. 1131), \$825,000.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: On page 4, line 8, strike out "\$825,000" and insert "\$325,000".

Mr. GROSS. Mr. Chairman, I cannot think of an easier way by which the Congress can save a half million dollars this afternoon than by adopting this amendment. There is about a million dollars for liquor and entertainment in this bill, and this is the first and the biggest bite. Moreover, I would say that if this \$825,000 figure is approved it will not leave much elbowroom when the bill goes to the other body. You know that the other body insists on increasing appropriations for liquor and entertainment. I am sure you know that.

To get back to my original premise, you cannot make a half million dollars any easier and do it on any saner basis than by adopting my amendment. I have four, five, or six other amendments to take care of the rest of the liquor items as they come up.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. ROONEY. Does the gentleman realize there has been inflation in this area?

Mr. GROSS. What area is the gentleman talking about?

Mr. ROONEY. The same area to which the gentleman refers.

Mr. GROSS. With \$825,000 for liquor the State Department would be able to wallow around in it at the prices charged in foreign countries. With the \$325,000 I propose to leave in the bill, I would take care of the ceremonial wreaths, the necessary luncheons, and the flags. I want to take care of them, and I think \$325,000 will do the job and do it amply.

Mr. Chairman, I hope that my amendment will be adopted.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto conclude in 3 minutes and that the 3 minutes be allotted to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment.

The committee has gone along on this increase which, compared to the total amount involved, is a small one, because of the fact that there are additional foreign posts provided in this bill. As we know, we have to entertain at those posts as well as others. I think that the committee has done the best it could do over the years in keeping these entertainment allowances at a proper level. The House has always supported the committee on the level suggested by it. You will recall that on four previous occasions the committee was requested amounts of a million or more dollars for this specific purpose.

I think to cut this fund from the amount contained in the bill to \$325,000 would be foolhardy. I do not think that the day has yet arrived when we can crawl into our shells and let the rest of

the world go by. Of course, there has to be entertainment. Other nations entertain, and if our people out there on the frontline are entertained by others, I do not see why we should not have our folks entertain them.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Iowa.

Mr. GROSS. The increase that you put in this bill this year could not be because this is an off election year when the exodus will be on this summer or fall, like Members of Congress going overseas?

Mr. ROONEY. Oh, no; there is no connection whatsoever. I am sure everybody else here realizes that.

Mr. GROSS. I thank the gentleman.

Mr. ROONEY. The increase requested was allowed on the basis of representations by the Department of State that due to the new posts, due to increased expenses, they needed this money. I think the committee has been fairly reasonable in regard to it. A year ago it was asked to approve the amount of \$1 million for this purpose. Maybe they saw the light and came back with a reasonable request this year.

Mr. Chairman, under the circumstances, I trust the committee will vote down the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. Gross].

The amendment was rejected.

Mr. PELLY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am wondering if the Department of State has ever requested funds to provide for use of American citizens in our United States embassies which are located behind the Iron Curtain.

I have felt that our policy of hiring the nationals of Communist countries is completely unsound and have expressed myself and protested this situation recently to the Secretary.

When I first took this matter up with the Department, they not only confirmed the policy but defended it, arguing that the employing of Communist nationals in these sensitive spots posed no risk to our national security. I was told that from a budgetary standpoint it has not been possible to employ American citizens in the positions for which alien employees are presently used in the foreign service. Also it was inferred that Americans would not be willing to accept the majority of positions now filled by aliens because they were either poorly paid or menial in character.

To me the fact that alien employees do not have free access to classified material in our embassies is completely unsatisfactory. Also the fact that these employees work in special areas of the embassy and are prohibited from entering certain restricted parts of our embassies unless in the company of an American, and only for the performance of specific tasks, does not satisfy me.

Mr. Chairman, the switchboard operator in our embassy in Moscow is a Soviet citizen, a circumstance which is defended on the basis of the fact that this

operator does not handle interoffice telephone calls and that regulations provide that employees do not discuss confidential information over the telephone.

In protesting this policy I had in mind the House Un-American Activities Committee report entitled "Patterns of Communist Espionage" which devotes considerable space to this problem of employing Communist nationals by the Department of State. It says the number of aliens thus used by our missions in Soviet-bloc nations are required to serve as informers for Soviet secret police and are used in attempts to compromise Embassy personnel so they can be blackmailed into espionage. This report discloses that the American Embassy in Moscow employs 90 Soviet nationals while the Russian Embassy in Washington employs no Americans; in Rumania we employ 21 of their nationals as against none of ours being employed in the United States; in Hungary we employ 43 of theirs as against none of ours employed here; in Czechoslovakia we employ 38 aliens as against one of ours employed here; in Poland we employ 78 foreigners as against 7 Americans here; in Yugoslavia we employ 94 of their citizens, as against 2 of ours here employed by them, and I want to emphasize that in nearly all cases, as this report points out, the Communists employed by our State Department in these foreign countries are members of their secret police.

Take the British in contrast. In Moscow they employ a colonel of the British Intelligence as receptionist, whereas both the receptionist and switchboard operator in our Embassy in Moscow are Soviet nationals, obviously members of their secret police.

Mr. Chairman, the Un-American Activities Committee report states that these conditions have a significant bearing on the success of the Soviet espionage activity and our defense is compromised both at home and abroad by these same factors.

The arguments of the State Department in defending this personnel policy seem extremely weak. I feel that many students of foreign languages would jump at the chance to obtain employment abroad so as to improve their knowledge of languages. As for the unwillingness of Americans to do menial work, I am sure this idea is contradicted by the experience in our national parks where teachers and students eagerly take such domestic positions in order to enjoy the experience available in summer work.

Also, I am sure that if it were purely a matter of economy we could utilize members of our Armed Forces in this way, although I personally believe that we should spend the money to train people properly and have them familiar with the languages and customs of the nations where they are employed.

My question is, however, as to whether members of the Appropriations Committee have had requests for funds to provide for American citizens to fill positions in our embassies abroad. I would like to inquire as to whether any such request has been rejected and if our pol-

icy is actually based on inadequate funds. Furthermore, I would be interested to know if other Members of Congress feel that it is proper to staff embassies with enemy nationals who are plotting to overthrow and control the free world. My understanding is that little bits of information gathered here and there are put together and that is the way the Secret Service works; thus allowing the enemy to have their spies in our embassies is highly detrimental to our security. I think this policy presents a serious threat to the United States.

The Clerk read as follows:

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Contributions to international organizations

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties, conventions, or specific Acts of Congress, \$48,033,000.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 5, line 17, strike out "\$48,033,000" and insert "\$30,033,000".

Mr. GROSS. Mr. Chairman, before I discuss the amendment I should like to ask the gentleman from New York [Mr. ROONEY] a question about the preceding item which provides, among other things, for payment to the Foreign Service retirement fund. Does the gentleman mean to tell me that he is now appropriating for a retirement fund, that there is no opposition?

Mr. ROONEY. This is the Government's share of the Foreign Service retirement fund.

Mr. GROSS. Has not the proposal to make a contribution to our domestic Government employees' retirement fund been opposed here time after time?

Mr. ROONEY. I have never opposed it.

Mr. GROSS. I did not say the gentleman had, but has not the administration opposed the Government's annual contribution to the classified employees' retirement fund?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. YATES. I think the difference may be in this. I believe the gentleman has reference to the civil service retirement fund?

Mr. GROSS. That is right.

Mr. YATES. The various agencies made their contributions in the same amount as the employees. The deficit occurred when the Government did not make a payment for the amount of the interest.

Mr. GROSS. That is right.

Mr. YATES. I assume that this payment to the Foreign Service retirement fund is the equivalent amount that the Government must pay to match the payments that are made by the employees.

Mr. GROSS. I just wondered if there was discrimination here.

Mr. YATES. I do not think the situation is comparable.

Mr. GROSS. I thank the gentleman.

Mr. Chairman, this amendment would result in a saving of \$18 million; and I hope I will not be accused of using the meat-ax approach because we are given no opportunity in this lump-sum appropriations bill to single out items. As I understand it, the various other international organizations are delinquent in their contributions to the tune of about \$22 million. Why not cut this fund and give them the opportunity to catch up and give them the opportunity to take up some of the slack? Also, I am impressed by the fact that the appropriation for this particular purpose has grown from \$28 million in 1956 to the present asking of \$48 million. That is entirely too much of an increase, and I hope and trust my amendment, which will bring this down to size, will be adopted.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment be concluded in 3 minutes with the 3 minutes to be allotted to the committee.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the consequences of the adoption of an amendment such as this offered by the distinguished gentleman from Iowa would be tremendous. It would mean the withdrawal of the United States from the United Nations organization, the International Civil Aviation Organization, the World Health Organization, the Food and Agriculture Organization, the International Labor Organization, the International Tele-Communications Union, the World Meteorological Organization, the Inter-American Children's Institute, the Inter-American Indian Institute, and any number of other relationships that we have with inter-American organizations and our friends to the south. It would affect the Caribbean Commission, NATO, the NATO Parliamentary Conference. It would affect the Interparliamentary Union of which the distinguished gentleman from Iowa says he is or is not a member, and it would affect our membership in many, many other important organizations. If we, the people of the leading Nation of the world, were to indicate that we have so little faith in these international organizations and in efforts to bring the peoples of the world together and toward world peace that we would withdraw from them by refusing the funds to pay for our memberships, then I think we are in pretty bad shape. But, I am confident that we have not yet reached that point. So, Mr. Chairman, I ask for a vote that will reject the pending amendment.

The CHAIRMAN. The question is on the pending amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. CRAMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when the hearings of the subcommittee were printed and released on May 11, I was rather amazed to read in the newspapers the information which was apparently construed as

being not complimentary of a group set up within the Department of Justice to try to ferret out organized crime. Of course, one of the suggestions made with regard to this 18-man anticrime group formed under Milton Wessel, in my opinion, an extremely capable attorney, one of the criticisms was on the basis that only one indictment had been returned.

I read the testimony of the distinguished gentleman who happens to have been a classmate of mine at Harvard Law School, and who had an outstanding record at that school, and has had since he started private practice, and I think it is one of the finest presentations that I have ever read with regard to organized crime in this country and what is being done for one of the first times with regard to ferreting out organized crime. I think the reason that the indictments were returned with regard to the Apalachin meeting in which some 27 persons who attended that meeting who were involved unquestionably in national gangster conspiracies in this country—yes, and on an international basis—those 27 who were indicted is one of the most constructive actions in stamping out organized crime that has ever been taken by the Department of Justice and in my opinion resulted principally from the activities of this special group which was formed for the specific purpose of trying to ferret out in an area that is, perhaps, one of the most difficult in law enforcement whether it be State, local or Nation, these national gangster conspiracies. It was just last week, on May 21, it was announced that the United States indicted 27 members of this crime parley gang that had this parley in Apalachin, N.Y., a couple of years ago, and I think this group that has been working should be complimented rather than in the slightest degree by inference or otherwise to be criticized with regard to their activities because I think this will prove to be a monumental work and a monumental milestone with regard to cleaning up organized crime in this country.

Why am I concerned? Because in my district one of the coconspirators lives that was listed, Santo Trancicante, Jr., listed as a coconspirator, not as a defendant, but as a coconspirator at this Apalachin meeting. There is no doubt but that it took place. There is no doubt but that the probable objective of it was to try to organize crime in this Nation as it has never been organized before, in an effort to subvert law enforcement operations both locally and nationwide. They followed the advice and pattern of Al Capone. Theirs was an effort to set up the appearance of being all right, the appearance of respectability by having a legitimate front, some legitimate business front for the actual criminals. They have been engineering this on a national, yes, and on an international basis; and, being greatly concerned with this situation I was highly pleased to see that the Department of Justice as of March of last year set up this special antioorganized crime group and that 1 year since this group has been in opera-

tion it has accomplished so much. These are the results it has accomplished to date. I refer the gentleman respectfully to the testimony of Mr. Wessel on page 153 of the hearings of this subcommittee with regard to the activities of that group and the objectives they are attempting to accomplish.

I do not think we can take this thing lightly. This is only the first step. I think that every Member of Congress should try to see that more is done in this field. This is just the first step and there are tremendous roadblocks that are being set up by these nationally syndicated gangsters. They are out to thwart justice. Further, I direct your attention to page 56 of the hearings where the objectives of this special group are set out.

Let me tell you one recent incident. Only a month and a half ago there was another gangster-type of murder in my district. There had been 19 such unsolved murders in past history. There has been no suspect found yet and very little evidence has been brought up. It has been announced publicly to be a gangland-style type murder, a typical gangster or Mafia job. As far as I am concerned I feel we should appropriate more money than the \$200,000 included in this bill. I have introduced a bill, H.R. 7129, which might be of further assistance in this area by permitting FBI investigative assistance to local law enforcement officials upon local request for crimes committed with the use of interstate commerce. I trust Congress will further implement this crime-fight with legislation of this nature.

The successors to Al Capone—and his type of operation—must be stamped out—along with their illicit \$22 billion a year business. A start has been made—Congress must help the Department of Justice finish it up.

The Clerk read as follows:

MISSIONS TO INTERNATIONAL ORGANIZATIONS

For expenses necessary for permanent representation to certain international organizations in which the United States participates pursuant to treaties, conventions, or specific Acts of Congress, including expenses authorized by the pertinent Acts and conventions providing for such representation; salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158); hire of passenger motor vehicles; printing and binding, without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); and purchase of uniforms for guards and chauffeurs; \$1,900,000.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 6, after line 5, strike out "\$1,900,000" and insert "\$890,500."

Mr. GROSS. Mr. Chairman, I am surprised to find this appropriation for international organizations carrying no money for entertainment. I wonder how that happened. This seems to be about the only item in the bill that does not have it in. But be that as it may, I believe that \$500,000 would be enough for the U.S. mission to the United Nations.

In the interests of economy we could well cut that down from \$1,151,000 to \$500,000, and save half a million dollars.

I believe the international organization at Geneva, which is carried at \$252,000 could be cut to about \$50,000 and nobody would suffer.

I believe the International Civil Aviation Organization could take a cut from \$82,000 to \$50,000.

I believe the Interparliamentary Union could be cut out entirely this year and save \$30,000 by providing no funds for this annual junket. I do not believe we would ever miss the fact that this bunch of junketeers did not get their usual trip this year.

The Organization of American States, I would cut that to \$90,000 instead of \$92,500.

The North Atlantic Treaty Parliamentary Conference is down for \$30,000. I think we could dispense with that new addition of junketeering. And there are others I would cut with scores of foreign countries at least \$22 million in arrears on their contributions. I note from the hearings that the gentleman from New York [Mr. ROONEY] made a visit to United Nations headquarters last year, and Mr. Lodge, when he appeared before the committee, invited him to come back again because he said he gave them a shot in the arm to be up there. I hope the gentleman from New York will invite Mr. Lodge down here again and give him a shot in the arm as a stimulus to start collecting from these other organizations so that they can help us to carry part of the freight for these various organizations. I hope the gentleman from New York [Mr. ROONEY] will give Mr. Lodge that kind of shot in the arm this time.

I hope my amendment will be adopted because I think it is a good amendment from the standpoint of the economy of this country.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, it would appear that the gentleman from Iowa, my distinguished friend [Mr. GROSS], does not want to give our international relations a shot in the arm; he wants to give them a shot in the head.

If we followed his thinking we would be in trouble all around the world. I do not believe that the Committee of the Whole will adopt this amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Iowa.

Mr. GROSS. Will the gentleman say we are not in trouble now with all of this spending?

Mr. ROONEY. I was really referring to more trouble.

Mr. GROSS. I see.

Mr. ROONEY. We are in trouble now, of course, and we have been for a long time. The purpose of this allowance is

to cover funds for our missions to the United Nations. In the last paragraph to which the gentleman offered an amendment which was defeated in the Committee of the Whole, we provided for our membership in the various international organizations. This is the item that provides the funds to send our representatives to these international organizations, not only the official representatives, but all the clerks, backstoppers, advisers, and experts who accompany them.

Among these organizations are the United Nations, the International Civil Aviation Organization, and the Organization of American States which I think everybody, with few exceptions, feels is a very, very important organization, particularly at this time insofar as our relationships with our neighbors to the south are concerned.

This paragraph refers also to our mission to the International Atomic Energy Agency, which is headed by our distinguished friend and former colleague, the Honorable Sterling Cole, whose headquarters are in Vienna. Since we belong to these organizations we must send the right people to represent us in them. These are the funds for our representatives.

Mr. GROSS. I thought we took pretty good care of them.

Mr. ROONEY. The gentleman did a little better by Sterling Cole than he did for his friends in the NATO Parliamentary Conference.

Mr. GROSS. This is a first-class junketing outfit.

Mr. ROONEY. I do not know. There is legislation to sustain it and about all we can do is to write the check. Whether or not it is a junket, I do not attempt to qualify as an expert witness in regard thereto. But we do belong to it and we should be represented there, and these are the funds to cover the cost of that representation.

Mr. Chairman, I ask that the gentleman's amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

The Clerk read as follows:

INTERNATIONAL CONFERENCES AND CONTINGENCIES

For necessary expenses of participation by the United States upon approval by the Secretary of State, in international activities which arise from time to time in the conduct of foreign affairs and for which specific appropriations have not been provided pursuant to treaties, conventions, or special Acts of Congress, including personal services without regard to civil service and classification laws; salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158); hire of passenger motor vehicles; contributions for the share of the United States in expenses of international organizations; and printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); \$1,900,000, of which not to exceed a total of \$100,000 may be expended for representation allowances as authorized by section 901(3) of the Act of August 13, 1946 (22 U.S.C. 1131), and for entertainment.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 6, line 20, strike out "\$1,900,000".

Mr. GROSS. Mr. Chairman, I am pleased that my good friend from New York [Mr. ROONEY] spoke about the advisers, the experts that go to the various conferences in foreign countries.

Last fall there was a conference held in Geneva on the General Agreement on Tariffs and Trade. I believe it was the President who appointed four so-called public advisers, at a cost of several thousand dollars. I happen to know that one of these so-called advisers does not know any more about tariffs and trade than a hog knows about Sunday.

I cannot for the life of me see any reason why we should spend \$1,900,000—almost \$2 million—to send people like that on junkets abroad.

Just to further enlighten you on this particular item, I might say that the four so-called public advisers that were sent over to GATT last fall in Geneva made a report, and here it is. The main recommendation in this report is that GATT sessions be held twice a year instead of once; in other words, just double the spending from these funds.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Iowa.

Mr. JENSEN. How many pages does the report contain?

Mr. GROSS. About a page and a half, standard letter size.

Mr. JENSEN. Is it printed on both sides, to save money?

Mr. GROSS. It amounts to a page and a half.

Mr. JENSEN. But at least it is printed on both sides, to save money.

Mr. GROSS. If you can call that economy in view of the several thousand dollars it cost for this junket.

Mr. Chairman, I urge the adoption of my amendment.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the funds contained in this paragraph of the bill are to cover the expenses of U.S. participation in recurring as well as emergency international conferences and other activities arising in the conduct of foreign affairs.

Right today, right at the present time, we have an instance of exactly what this money is for. This is the money which supports the mission of the Secretary of State, our distinguished former colleague, Mr. Herter, who is presently in Geneva at the foreign ministers' conference. This is the fund which provides for the expenses of his being there, and for the many advisers, clerks and such people, who make up such a mission. Not only do we have to take into consideration the matter of paying for that

mission, but if the amendment offered by the distinguished gentleman from Iowa were to be adopted and the meeting were to continue up to the 2d or 3d of July, there would be no funds whatever to pay for the cost of this mission of the Secretary of State to Geneva. Now, we have to participate with the other leading nations of the world, as a matter of fact, with all the nations of the world, in every effort that we can to make peace, to reach a lasting peace, and to attempt to strike out the funds for our people who attend these international conferences is not the proper thing to do.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Iowa.

Mr. GROSS. This does not include funds for a summit meeting, does it?

Mr. ROONEY. No; no funds as such, but there will be a small amount available toward a summit meeting. It is understood that a summit meeting would be expensive, and the committee in its report felt that the Department should come back and ask for a supplemental appropriation in the event it turns out there will be a summit meeting.

Mr. GROSS. That is exactly what they will do if this fund is exhausted; in other words, you are pretty certain that the Secretary of State is not going to spend \$1.9 million on a proposition such as he is on now. Where are these other junketers getting the money?

Mr. ROONEY. These are not junkets. These are serious missions to meetings with the leading nations of the world. I do not believe that the gentleman approaches this matter correctly when he uses the word "junket." I give our people credit for working very, very hard to get together with the other nations of the world. I want to see that they have sufficient funds to carry on.

Mr. Chairman, I ask for a vote on the pending amendment and ask that it be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

PROGRAM FOR TOMORROW

Mr. COLLIER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this solely for the purpose of asking the distinguished majority leader to give us the schedule for tomorrow.

Mr. McCORMACK. The program for tomorrow, if this bill is not disposed of tonight, will be a continuation of this bill, and following the disposition of this bill tomorrow we will take up H.R. 7086, which is a bill extending the Renegotiation Act of 1951, as amended. Tomorrow we will find out what the situation is in relation to Wednesday.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 6, line 21, strike out "\$100,000."

Mr. GROSS. Mr. Chairman, this is simply an attempt to take out another \$100,000 for liquor and various forms of

entertainment. If you want to spend it at that rate, that is your business. I hope the amendment will be adopted.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment. This is a fund that has been carried in this bill for quite some time. It is a necessary fund. It has no relationship to the fund we discussed earlier. I think in view of the fact that today these meetings between the heads of government, between our Secretary of State and the foreign ministers of other nations of the world are so important, the American public want these meetings and want our people to be properly represented at them. I am confident that they want us to include such funds as those to which the amendment is directed.

Mr. Chairman, I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. Gross].

The amendment was rejected.

The Clerk read as follows:

EDUCATIONAL EXCHANGE

International educational exchange activities

For necessary expenses, not otherwise provided for, to enable the Department of State to carry out international educational exchange activities, as authorized by the U.S. Information and Educational Exchange Act of 1948 (22 U.S.C. 1431-1479), and the act of August 9, 1939 (22 U.S.C. 501), and to administer the programs authorized by section 32(b)(2) of the Surplus Property Act of 1944, as amended (50 U.S.C. App. 1641(b)), the act of August 24, 1949 (20 U.S.C. 222-224), and the act of September 29, 1950 (20 U.S.C. 225), including salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158); hire of passenger motor vehicles; entertainment within the United States (not to exceed \$1,000); services as authorized by section 15 of the act of August 2, 1946 (5 U.S.C. 55a); and advance of funds notwithstanding section 3648 of the Revised Statutes, as amended; \$22,800,000, of which not less than \$7,250,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States: *Provided*, That not to exceed \$1,437,500 may be used for administrative expenses during the current fiscal year.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: On page 12, line 6, strike out "\$1,000."

Mr. GROSS. Mr. Chairman, I am just trying to save another \$1,000 for entertainment purposes. This goes to the educational exchange program. On that subject I was interested while reading the hearings to note that one of the individuals brought to this country under the educational exchange program went so far in registering her protest against conditions she found in this country that

she wore her dress wrong side out. I am not about to spend \$1,000 entertaining people of that kind. As a result of having worn her dress wrong side out the State Department, using the taxpayer's money, assigned to her a personal escort, apparently for the rest of the time she was in this country. While she was traveling about this country from coast to coast she was assigned a personal escort because, apparently, she was some kind of an incorrigible.

What I cannot understand is why these individuals who come under this exchange program are not properly screened before they get here and why, after arriving in the southern section of this country, and putting on her exhibition, the State Department did not just bundle her up in that wrong-side-out dress and promptly ship her out of the country, instead of assigning an escort to her.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all the amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment. A while ago, I will say to the Committee of the Whole, we were discussing what the gentleman from Iowa [Mr. Gross], or somebody else, perhaps myself, referred to as the whisky matter. We are now in the Coca-Cola department.

Mr. GROSS. You hope.

Mr. ROONEY. This is for \$1,000 worth of Coca-Cola. It is for the folks we bring from overseas under our educational exchange program and if, along the way, after having spent some four, five or six thousand dollars on them, bringing them from their native lands, they see everybody else at the railroad station or airport having a Coca-Cola, we should be such good hosts as to give them a Coca-Cola, too. This amendment involves only \$1,000.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. GROSS. The word is "entertainment." It does not say anything about Coca-Cola.

Mr. ROONEY. Yes; but I am letting the gentleman in on a secret. This is the Coca-Cola department. We have already passed the liquor department.

Mr. GROSS. Is that the way you do—you buy a bottle of Coca-Cola to placate an individual who wears her dress wrong side out in protest of what she finds in this country?

Mr. ROONEY. With reference to the exchange person who wore her dress wrong side out, and I see the gentleman has read the hearings, as he always does—he really reads them—she needed to be placated with a bottle of Coca-Cola. Certainly, we are not going to stop at \$1,000. Certainly a nation of substance like the United States is not going to stop at \$1,000 for Coca-Cola to take care of these folks whom we bring from abroad. Would the gentleman please withdraw his amendment?

Mr. GROSS. No, I will not withdraw it. It says "entertainment." It does not say anything about Coca-Cola.

Mr. ROONEY. Then, Mr. Chairman, I ask for a vote on the pending amendment and ask that it be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. Gross].

The amendment was rejected.

The Clerk read as follows:

RAMA ROAD, NICARAGUA

For an additional amount for necessary expenses for the survey and construction of the Rama Road, Nicaragua, in accordance with the provisions of section 5 of the Federal-Aid Highway Act of 1952 (66 Stat. 160), as supplemented by section 8 of the Federal-Aid Highway Act of 1954 (68 Stat. 74) and the Act of September 2, 1958 (72 Stat. 1709), \$4,500,000, to remain available until expended: *Provided*, That transfer of funds may be made from this appropriation to the Department of Commerce for the performance of work for which the appropriation is made.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask someone if this is the appropriation we were told a year ago would not reappear?

Mr. ROONEY. We did not say that, may I reply to my distinguished friend. There was no appropriation for this purpose last year. However, there have been appropriations over a considerable number of years for the Rama Road. This is the road which was proposed by the late President Franklin D. Roosevelt. On a trip to Nicaragua, he sat down with Mr. Somoza of late memory and promised to complete this road. I felt tired of appropriating for this up until about 1953, and then I thought—well, a new administration is coming in—the Rama Road appropriation was always criticized by my distinguished friends on the other side of the aisle, and I thought sure that this would be the end of the Rama Road. But so help me, it has been with us ever since except last year, for the past 6 years. The gentleman should feel relieved that this is going to be the last payment on the Rama Road.

Mr. GROSS. That is what I wanted to find out. Was this the bill we had a year ago?

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to my friend from Ohio.

Mr. BOW. I think the gentleman is referring to the Commerce Department bill which had provision for the Inter-American Highway.

Mr. GROSS. I guess that is it.

Mr. BOW. It was said at that time that it would be the last appropriation.

Mr. GROSS. That is right.

Mr. BOW. I may say to the gentleman that that bill was reported out today and there is no appropriation in the bill for the Inter-American Highway this year.

Mr. GROSS. I thank the gentleman, and I thank the gentleman from New York for his speech in behalf of Mr. Roosevelt and the Rama Road.

Mr. ROONEY. I also included President Eisenhower, if the gentleman will recall.

The Clerk read as follows:

BUILDINGS AND FACILITIES

For constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, \$4,400,000: *Provided*, That labor of United States prisoners may be used for work performed under this appropriation: *Provided further*, That \$75,000 of this appropriation shall be available for payment to the city of Ashland, Kentucky, as the Government's share of the cost of a new water line to serve the Federal Correctional Institution, Ashland, Kentucky.

Mr. GRAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAY: On page 19, line 20, immediately preceding "For" insert the following: "For construction of a maximum security institution on a site to be selected by the Attorney General, \$2,000,000."

Mr. ROONEY. Mr. Chairman, I reserve a point of order against the amendment.

Mr. GRAY. I thank the gentleman.

Mr. Chairman, I realize that the temper of the Committee is to rise. However, I hope you will indulge me for 5 minutes while I bring to your attention a very very important matter.

Mr. Chairman and Members of the Committee, this is a very simple but highly important amendment. It provides \$2 million to start construction of a much needed maximum security Federal penitentiary to house the most hardened criminals. The last such prison was built in 1902 in Atlanta, Ga., 57 years ago. The amount requested in the amendment is \$7,875,000 less than requested in the budget by the President.

Mr. Chairman, the lives of many people and millions of dollars of property could hang in the balance with this amendment. If the funds are not allowed to immediately begin construction of this institution, we in the Congress are inviting what the prison experts fear the most—a prison riot. You say it cannot happen? You can readily see it is happening. Four dangerous riots in the past 60 days in State prisons. What will tomorrow bring?

Thirty years ago Mr. James V. Bennett, the Director of the U.S. Bureau of Prisons, entered Federal service with our prison system. He has indeed brought great credit to our penal system, recognized as the best in the world. Mr. Bennett has served ably under four Presidents and was just selected a few weeks ago by President Eisenhower to receive the President's Award for Distinguished Federal Civilian Service, so I think everyone will agree that he knows his business. I think the reason we have been able to keep down riots in Federal prisons has been due to Mr. Bennett's leadership. However, he says we have reached the critical danger point where anything can happen if we do not provide more facilities to take care of the maximum security risks.

Four years ago Director Bennett came before the Subcommittee on Appropria-

tions and requested funds with which to build a much needed institution to house hardened criminals. The committee at that time asked Mr. Bennett where he proposed to build this prison and he answered "Somewhere in the Midwest." The funds were denied. He came back in 1957 and the committee allowed \$250,000 with which to draw up plans and make recommendation as to a site. Several hundred communities submitted proposals and an impartial site selection team appointed by the Attorney General came up with a recommendation of five sites in Illinois and Missouri.

Since the budget request was first submitted, the cost of the institution has gone up \$1 million. In addition—and more important—the prison population has not only reached capacity but on May 14 of this year, there were 3,024 more prisoners than safe places to keep them.

Mr. Chairman, I have a copy of the committee report here in my hand and you will note on page 12 not one reason is given for the denial of these funds.

Now, Mr. Chairman, although the committee gives no reason for the denial, I assume my good friend, the gentleman from New York [Mr. ROONEY], whom I admire more than words can say, will try to defend the action of the committee on the grounds the new institution is not needed; that there are other institutions now available or to be made available soon which will take care of the serious overcrowding. I am sure the State Penitentiary at Sandstone, Minn., will be mentioned as one that will be reactivated soon. He will probably mention a military installation or two that may be available soon. But none—I repeat, none—are maximum security institutions and will not meet the problems presented here. This information was again confirmed today by the Bureau of Prisons.

Even if this argument should be true there will be over 3,100 more prisoners than capacity by the time this institution is built.

Mr. Chairman and colleagues, let us look at the record—these facts cannot be denied.

On this blackboard you see story after story from newspapers in the last 30 days. The headline on the left says "Rioters Storm Prison and Free Hostages." The one on the right says "Prisoners Riot in Tennessee." Another reads "Rioting Convicts Hold Three Hostages—Deputy Warden Killed, Guard Is Stabbed." We have had several of these occurrences in penitentiaries in the last 30 days, so I submit it can happen any time. So I hope you will listen to my remarks and help me do something to meet a very serious need.

Mr. O'BRIEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield to my beloved dean.

Mr. O'BRIEN of Illinois. I want to say to the Members of Congress that this amendment is meritorious and I hope it will be supported 100 percent.

Mr. GRAY. I thank the gentleman for his contribution.

Mr. HOFFMAN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield.

Mr. HOFFMAN of Illinois. I would like to go on record as endorsing the gentleman's amendment. I know from firsthand knowledge of the crowded conditions in Federal prisons. When I say that I do not mean from having been an inmate but as a law enforcement officer. I think there is very great need for this additional institution and we should definitely support it 100 percent.

Mr. GRAY. I thank the gentleman from Illinois; and may I say to the Members that the gentleman who just spoke is a former sheriff, in fact, he was head of the Illinois Sheriffs' Association, so he knows more than a little bit about criminology.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GRAY. I thank the gentleman very kindly.

In addition, let us see what the experts say. Director Bennett had this to say:

It is folly to wait until the need for this type of institution is brought home to us by some major disturbance such as has happened in a number of State institutions.

On page 26 of the hearings, Attorney General Rogers had this to say to the committee:

It is imperative that we request the funds to build a maximum security institution immediately.

In addition, the Senate Judiciary Committee has just issued a unanimous report signed by all Democrats and Republicans on the committee, after a personal inspection tour of our prison system in which they said:

With probation now being commonly used for the more hopeful type of offenders, commitments to Federal institutions are made up increasingly of the more serious type of offender. This has imposed new pressures on the major penitentiaries, which are already the most overcrowded of all Federal institutions. It is important that these aged institutions be relieved of these pressures by the construction of a maximum security institution for the confinement of serious escape risks.

Many prominent Federal judges have classed this as an emergency. I will quote Federal Judge Harry C. Westover, as an example. He had this to say:

Nearly every institution visited has a serious housing shortage and either they will have to be enlarged or additional facilities constructed.

Are we going to say today that men like Jim Bennett, who has dedicated his life to this unpleasant work, does not know what he is talking about? Are we going to say that our colleagues in the House and on the other side of the Capitol do not know what they are talking about after just recently seeing these

conditions first hand? Are we going to say to the Federal judges who carry out the mandates of this Congress that they are wrong when they say we need this institution? Are we going to wait until the accident happens before we take out the insurance? With this request being denied four times, who do you think will get the blame if we have a prison riot—Congress, of course.

With our population growing 5 million a year, there is not a person that can deny we will be having a steady increase of prisoners from here on out. Why wait until we have killed several people like this warden in Montana and caused many times the cost of the prison in property damage? Can we spend over \$40 billion a year for defense of a possible foreign enemy and fail to spend \$2 million to protect the American people from real enemies here at home? It does not make sense.

How can we reconcile our reasoning when we allow J. Edgar Hoover over \$114 million in this same bill for 1 year to go out and apprehend hardened criminals and then deny Mr. Bennett the funds with which to keep them for many years. It does not make sense.

Furthermore, I can recall voting for a bill a few days ago allowing \$25 million that was not even requested in the budget to construct a new office building here in Washington. Is an office building more important than a place to confine murderers, dope peddlers, saboteurs, rapists, or other types of hardened criminals? I do not think so, and I am sure my colleagues will agree there is no comparison. Therefore, I beg the Chairman and Members of this Committee to go along with this project before it is too late.

Thank you very much.

Mr. ROONEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7343) making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes, had come to no resolution thereon.

MIAMI UNIVERSITY, OXFORD, OHIO

Mr. SCHENCK. Mr. Speaker, I offer a resolution (H. Con. Res. 185) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby extends its felicitations and best wishes to Miami University, Oxford, Ohio, on the occasion of the one hundred and fiftieth anniversary of such university.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SCHENCK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHENCK. Mr. Speaker, first, permit me to express my personal appreciation, along with that of the president, the board of trustees, the faculty, the students, and all of the alumni of Miami University for your approval of this House concurrent resolution honoring Miami University on this occasion of the celebration of its sesquicentennial anniversary. This resolution could not have been considered, Mr. Speaker, without your full cooperation together with that of the majority leader, the Honorable John W. McCormack; the minority leader, the Honorable Charles A. Halleck; the chairman of the House Committee on the Judiciary, the Honorable Emanuel Celler; the ranking minority member of that committee, the Honorable William M. McCulloch; and the Parliamentarian of the House, the Honorable Lewis Deschler. I am deeply grateful to all of you, Mr. Speaker, and to all my colleagues here in the House of Representatives of the United States for your unanimous action in approving this resolution.

By way of giving some background historical information on Miami University in Oxford, Ohio, Mr. Speaker, permit me to recite some facts leading up to its founding and establishment.

Miami University was the second State university in the old Northwest Territory, provided for under the provisions of the Northwest Ordinance of 1787. In other words, this institution was a land-grant university, not under the terms of the Morrill Act of 1862, but under the terms of the Northwest Ordinance of 1787.

The U.S. Congress on July 23, 1787, enacted an ordinance authorizing the Board of Treasury to contract with any person for the balance of land west of the Scioto River and including a provision that not more than two complete townships within a tract of land were to be given perpetually "for the purposes of an university."

On August 29, 1787, John Cleves Symmes petitioned the Congress for the purchase of land north of the Ohio River lying between the Little Miami and the Great Miami Rivers. In this petition he asked that in place of two townships that one be assigned "for the benefit of an academy."

A contract of sale was drawn up between the Board of Treasury and John Cleves Symmes on October 15, 1788, granting Symmes and his associates land between "the Great River Miami" and the "River Miami" north of the Ohio River for the sum of \$82,198 with the provision that after the land was surveyed a further sum of \$82,198 would be paid. These rivers drain the area now forming all or part of the First, Second, Third, Fourth, Sixth, and Seventh Congressional Districts of Ohio with a present population of nearly 3 million people.

By act of April 12, 1792, under the new Federal Constitution, Congress authorized President Washington to make certain changes in the 1788 contract to accommodate the recent Indian treaty and

to provide for land to be known as Fort Washington.

By act of May 5, 1792, the President of the United States was authorized to grant letters patent in the name of the United States to John Cleves Symmes and his associates in accordance with the contract of 1788 at two-thirds of a dollar per acre. It was this statute which first provided that the land grant should include one complete township in accordance with the Northwest Ordinance of October 7, 1787, for the purpose of establishing an academy and other public schools and seminaries of learning.

On September 30, 1794, President Washington consented to an alteration in the boundaries of the Symmes patent. The actual patent was issued September 13, 1794, and included the provision for one township to be held in trust for the purpose of establishing an academy and other public schools and seminaries of learning.

After Ohio became a State in 1803, the State legislature assumed responsibility for making sure that John Cleves Symmes would set aside a township of land for the support of an academy. Such a law was passed by the State legislature April 15, 1803.

Finally, on February 17, 1809, the State legislature created Miami University and provided that one complete township in the State of Ohio in the district of Cincinnati was to be vested in Miami University for its use, benefit, and support. A commission of three men was set up to locate the university. In 1810 the legislature provided that Miami University should be located in Butler County within a township of land to be known as Oxford Township, and empowering the trustees to lay out a town of Oxford.

Miami University, Mr. Speaker, is located in beautiful Oxford, Ohio, and is a very important center of education and culture. Its achievements are legion because its graduates are known throughout the world for their accomplishments in many professional fields. Some 6,000 resident students are currently enrolled in the several schools which make up Miami University. Several additional thousands of students are enrolled in off-campus centers which are located in areas throughout the great Miami Valley.

It would be impossible to do justice to all the famous graduates of this great school. Benjamin Harrison, 23d President of the United States, graduated from Miami in 1852. Robert D. Stanton was Lincoln's Secretary of War. White-law Reid was a noted journalist and diplomat. John Shaw Billings became director of the New York Public Library and persuaded Andrew Carnegie to build libraries across the Nation.

One of my own ancestral relatives, Gen. Robert C. Schenck, graduated from Miami in 1827 and served in the Congress here, representing this same congressional district as early as 1843. Though not a graduate, William Holmes McGuffey came to Miami in 1825 to occupy the chair of ancient languages and wrote 6 books which sold 120 million

copies and made the author's name a household word.

More recent nationally known graduates are:

Earl Blaik, class of 1918, longtime West Point football coach, who recently became a vice president of AVCO Manufacturing Co.

Dr. Katharine J. Densford, class of 1914, for 29 years head of the world's first university school of nursing at the University of Minnesota.

Bergen Evans, author, professor, and TV personality.

Gen. John Edwin Hull, U.S. Army, retired, former supreme commander of United States and United Nations forces for the Far East.

Dr. Ernest H. Volwiler, 1958 Priestley medal winner, who is retiring as board chairman of Abbott Laboratories.

Oxford, Ohio, is located in the Third Congressional District, the district I now have the high honor and great privilege of representing here in the Congress of the United States. I am understandably proud of the outstanding accomplishments and achievements of this great institution of learning, Miami University; and I am grateful for the action here today in honoring and congratulating this university during the celebration of its sesquicentennial anniversary.

THE GOVERNMENT OWNS THE FEDERAL RESERVE SYSTEM 100 PERCENT, LOCK, STOCK AND BARREL—\$3 BILLION A YEAR COULD BE SAVED IN INTEREST ON NATIONAL DEBT; MUCH MORE ON OTHER PRIVATE AND PUBLIC DEBTS—COMMERCIAL BANKS CREATE MONEY ON GOVERNMENT CREDIT TO BUY AND COLLECT INTEREST ON TENS OF BILLIONS OF DOLLARS ON GOVERNMENT BONDS—FEDERAL RESERVE'S GIVEAWAY TO PRIVATE BANKS IN 1958 AMOUNTED TO \$10,400 MILLION, AND BANKERS' LOBBY NOW ASKING CONGRESS TO APPROVE A \$15 BILLION GIVEAWAY BY PASSING THE "VAULT CASH" BILL

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 15 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, there is a lot of interest in the question of the ownership of the 12 Federal Reserve banks.

BELIEVED PRIVATE BANKS OWNERS OF THE FEDERAL RESERVE

At one time I made the statement that these banks were owned by the member banks; that only the member banks own stock in the Federal Reserve banks and, therefore, the privately owned member

banks owned the Federal Reserve System.

INVESTIGATIONS DISCLOSED THE GOVERNMENT OWNS THE FEDERAL RESERVE

This appeared to be the fact until later investigations disclosed that these banks are not owned by the member banks; that these 12 banks are owned by the Government of the United States; that they are instrumentalities of the Government and the so-called stock owned by the member banks is not stock at all.

LEARNED WHO OWNS THESE BANKS THE HARD WAY

From 1935 to 1938, there was considerable agitation in Congress—particularly in the House of Representatives—about the ownership of the Federal Reserve banks. Our argument at that time that these banks were owned by the private commercial banks caused a large group of Members of the House of Representatives to form an unofficial steering committee for the enactment of a law providing for the Government ownership of these banks and for other purposes. This steering committee was composed of 160 Members of the House of Representatives from 39 States. Our unofficial steering committee caused to be introduced in my name a bill, H. R. 7230, in the 75th Congress providing for the Government ownership of these 12 Federal Reserve banks.

PUBLIC HEARINGS ON THE PROPOSAL

There was a hearing on this bill, before the Banking and Currency Committee of the House commencing March 2, 1938. The hearing comprises 508 pages and contains the testimony of former U.S. Senator Robert L. Owen, who was the coauthor of the Federal Reserve Act in 1913, which became a law December 23, 1913, by the signature of President Woodrow Wilson; Hon. Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System; Hon. Ronald Ransom, Vice Chairman of the Board of Governors of the Federal Reserve System; many outstanding economists; several Members of Congress, including myself; and others.

Chairman Henry Steagall, presiding at this hearing, who was chairman of the Banking and Currency Committee of the House when the 1935 Federal Reserve Act became a law, disputed our contention that the Federal Reserve banks were owned by the member banks. He stated, and this is recorded at page 50 of the hearings:

*** and while I understand that the contribution to the capital of the Federal Reserve banks under the system now obtaining is not in a true sense a subscription to capital—I do not know exactly how to characterize it; it is more in the nature of an investment, like an investment in a Government bond where your return is definite and limited, but where you do not share in the profits of the system as ordinarily is the rule in the case of investments in the capital of a banking institution, ***

Chairman Eccles testified about the so-called "stock" as follows:

*** It is more nearly in the nature of a compulsory capital contribution than stock ownership *** (p. 446 of the hearings on H.R. 7230).

Chairman Eccles also testified—page 449 of these hearings—that bankers should not be on the Open Market Committee.

By reason of these hearings, which included much testimony in addition to what has been quoted, many of our group were convinced that the Government already owned the Federal Reserve banks.

After the hearings were completed and printed, there was little time left before the adjournment of Congress on June 16, 1938. That was the end of the 75th Congress and the bill died with the Congress. All of us were convinced later on after investigating further and particularly by the hearings before the Joint Economic Committee in 1952 where this question was carefully gone into and it was shown beyond any doubt that the Federal Reserve banks are instrumentalities of the Government and are owned by the Federal Government. The so-called stock, which is 3 percent of the capital and surplus of the member banks, is more of an involuntary investment upon which these banks receive 6 percent annually. This so-called stock is not needed and it is not used; it is not even invested. It has never been invested. If it were invested, it would save the Government that much between its earnings and the 6 percent that is paid each year on it. Furthermore, the Federal Reserve banks at this time have almost a billion dollars in cash that is surplus. It is idle and unused. It has never been invested. It should be put to use for the taxpayers. This money should be turned over to the Treasury and paid on our national debt. It is serving no purpose where it is and is not needed. The so-called stock that the member banks claim they own in the Federal Reserve System cannot be sold, it cannot be hypothecated, it cannot be voted and it does not have any of the necessary elements of ownership. The real test of ownership would be on the liquidation of a Federal Reserve bank in which a bank holds this so-called stock. In that event, after all debts of a bank are paid and there is a surplus remaining, the genuine owners of stock would get the remainder. In this case, the Federal Reserve Act specifically states that the remainder shall go to the United States Treasury. Therefore, it is not stock ownership in any sense of the word. It is not ownership.

NO PROPRIETARY INTEREST HELD BY BANKS

After the 1952 hearings, no one who has studied the question and is unbiased has contended that the private banks own the Federal Reserve System. On the other hand, they are recognized as being owned by the United States Government. It is possible for me to quote Chairman Eccles and the present Chairman of the Federal Reserve Board, Mr. Martin, dozens of times in printed testimony wherein it is stated repeatedly in answer to questions that the member banks do not own a proprietary interest in the Federal Reserve banks. There is no doubt about it.

In a letter to me dated April 18, 1941, the Chairman of the Federal Reserve Board, Mr. M. S. Eccles, stated:

This so-called stock ownership, however, is more in the nature of an enforced subscription to the capital of the Federal Reserve banks than an ownership in the usual sense. The stock cannot be sold, transferred, or hypothecated, nor can it be voted in accordance with the par value of the shares held. Thus, the smallest member bank has an equal vote with the largest. Member banks have no right to participate in earnings above the statutory dividend, and upon liquidation any funds remaining after retirement of the stock revert to the Government.

In February 1958, I had an exchange of correspondence with the Honorable HOWARD W. SMITH, of Virginia, chairman of the House Rules Committee, on this subject of the Government owning the 12 Federal Reserve banks and the alleged use of reserve funds deposited by the member banks with the Federal Reserve.

Those letters are in the CONGRESSIONAL RECORD, volume 104, part 2, pages 2110-2115.

I am inserting herewith the last part of my letter to Judge Smith (which has not been answered) which bears particularly on the question of who owns the 12 Federal Reserve banks and 24 branches:

It is as follows:

THE MEMBER BANKS DO NOT OWN THE FEDERAL RESERVE BANKS

I come now to another important misunderstanding expressed in your letter to me. This is found in your suggestion that the profits of the Federal Reserve System ought to be paid to the stockholders, which are the member banks.

If the member banks were really the owners of the Federal Reserve System they would have a most fabulous investment. They would own a system which operates on the Federal Government's power to create money and which has in fact created sufficient money to purchase and hold \$25 billion worth of interest-bearing securities of the United States Government, plus another \$27 billion of other kinds of assets.

The financial contribution of all the member banks—through purchase of the so-called stocks—amounts to about \$325 million. Thus in 1956 the stockholders' return on investment, if we can imagine that the banks own the System, would have been \$596 million in net profits, plus, of course, all of the free services which the banks received from the System, the total cost of which came to \$121 million. In other words, on the theory that the private banks own the Federal Reserve System, their return on the investment would have been about 220 percent in 1 year.

This so-called stock in the Federal Reserve banks which the member banks hold does not, however, constitute ownership, and never has. The term stock is a misnomer. If it is compared to a stock at all, it can at best be likened to a nonvoting preferred stock drawing a specified rate of interest, and a very high one at that—6 percent. Yet this stock has certain highly distinctive features which prevent its being characterized even as a preferred stock. Let me quote from the record on these, and call your attention particularly to Chairman Martin's replies to my questions:

"The CHAIRMAN. All right.

"No. 2 is that the banks own the Federal Reserve Banking System, and it is run by the banks; it is operated for their benefit.

"That is a fallacy, is it not?

"Mr. MARTIN. That is a fallacy.

"The CHAIRMAN. That stock, or that word 'stock,' is a misnomer, is it not?

"Mr. MARTIN. If you are talking about stock in terms of proprietorship, ownership—yes.

"The CHAIRMAN. Well, of course, that is what stock is; yes. Normally that is what stock is; when you say 'stock,' you mean a proprietary interest of some kind, do you not?

"Mr. MARTIN. In the ordinary sense, yes.

"The CHAIRMAN. That is right, in the ordinary sense.

"Mr. MARTIN. You and I are in agreement that it is not proprietary interest.

"The CHAIRMAN. Yes.

"Therefore, this does not convey any proprietary interest at all, and the word 'stock' is a misnomer. It is not a correct word at all. It is just an involuntary assessment that has been made on the banks as long as they are members.

"Now, if they go out, the money is refunded to them. But as long as they are members, they get 6 percent annually on that.

"And as evidence of the fact that they do not have any proprietary interest, which you admit, is the fact that this so-called stock cannot be sold, it cannot be hypothecated, and as a convincing and unanswerable argument that the banks have no interest in the Federal Reserve System as such, financial or proprietary interest, the law specifically provides that in the event of the liquidation of a Federal Reserve bank, that after they get their \$300 million stock back, the Government gets everything else. That is right; is it not?

"Mr. MARTIN. That is right.

"The CHAIRMAN. Now, if the banks had any proprietary interest in that, they would get what was left after liquidation, would they not?

"Mr. MARTIN. Well you and I are in agreement it is not proprietary interest.

"The CHAIRMAN. Yes.

"Therefore, the statement that the banks own the Federal Reserve System is not a correct statement, is it?

"Mr. MARTIN. The banks do not own the Federal Reserve System." (Hearings before a Joint Subcommittee on Economic Stabilization of the Joint Economic Committee, 84th Cong., 2d sess., December 1956, pp. 119-120.)

The history of this unique stock shows that when the Federal Reserve System was set up, the member banks were required to make a small, nonvoluntary interest-bearing contribution to the System, which was to serve merely as a psychological device. It was intended to make the bankers feel that they had some direct financial stake in the success of the new System. The law provided that each member bank could be called upon to contribute an amount up to 6 percent of its paid-in capital and surplus. Actually the banks were called upon to contribute only 3 percent, and this is the figure which still prevails.

I have frequently questioned Federal Reserve officials about the use of the funds derived from sales of this stock and the answers I have received are that their use, if any, is still psychological; the funds are not invested. Obviously the System does not need them, and it is my own belief that the psychological effects, if any, are no longer needed. Consequently, I have frequently made the point that the funds should be returned, so as to save the 6 percent interest, which amounts to about \$19 million per year.

SUMMARY

Judge, this has been a long letter, but I believe it will prove to be worth your time if it succeeds in clearing up the following points:

1. Although private bankers in very large degree manage the Federal Reserve System, the System is owned by the United States Government.

2. Since most of the yearly cost of operating the Federal Reserve System—about \$121 million—goes for check clearance and other free services for the private banks, this yearly cost is a direct subsidy to the private banking system, although the general public benefits indirectly, by having an effective banking system.

3. The Federal Reserve System does not use the reserves of the member banks to buy Government securities.

4. Purchases of Government securities by the Federal Reserve System, instead of denying the private banks use of reserves, actually increase the amount of reserves available to the banks for loans and investment, which means that the Federal Reserve System can and does increase the money supply in either of two ways—by buying Government securities or by reducing required reserves and thus allowing the private banks to create the new money.

I am,

Sincerely yours,

WRIGHT PATMAN.

QUESTIONS AND ANSWERS

The following answers to questions concern the Federal Reserve, money, credit, and related subjects.

1. What agency of the Government is responsible for controlling the Nation's monetary system?

The Constitution of the United States expressly grants to the Congress the power "to coin Money, regulate the Value thereof, and of foreign coin, * * *". Much of what serves as "money" in modern times, however, takes the form of bank deposits against which checks may be drawn. In the exercise of its power over money and hence over the volume and cost of credit, the Congress has created the Federal Reserve System as our central banking system and as a part of the Federal Government and has, by law, delegated to it the day-to-day operations of guiding and controlling the monetary system and the money supply. In England, the central banking organization is a single bank, but here it is a system of regional banks but controlled principally by the Federal Reserve Board, the Open Market Committee and the New York Federal Reserve Board.

2. How is the Federal Reserve System organized?

The Federal Reserve Act, signed by President Woodrow Wilson on December 23, 1913, provides for 12 district or regional banks covering various parts of the United States, each with the right to establish branches. There are today 24 such branches. Operation of the entire System is under the supervision and control of a Board of Governors.

3. What are the duties of the Board of Governors of the Federal Reserve System?

The Board supervises the workings of the System; appoints three of the nine directors of each district bank; must approve the appointments of the president and first vice president of each district bank; directs the System activity in the examinations of member banks; has full authority over changes in the reserve requirements of member banks; reviews and determines discount rates established by district banks.

4. When was the United States monetary system established?

In 1785, the dollar was adopted by the Congress existing under the Articles of

Confederation as the unit of our money, and the decimal system as the method of reckoning. The United States monetary system was established by the act of April 2, 1792, which provided for the establishment of the mint and the issuance of the following coins: Gold—eagles (each of the value of 10 units or dollars), half eagles, and quarter eagles; Silver—dollars, half dollars, quarter dollars, dimes, and half dimes; Copper—cents and half cents. Many changes in the laws governing coinage have been made since the original act. At various times 3-cent coins have been issued; a 20-cent piece was coined for a time; a 2-cent piece was coined in 1864-73; and the 5-cent coin was introduced in 1866. Gold coins are no longer coined or issued. The silver dollar is still issued but has not been coined since 1935. The first paper money issued by the U.S. Government consisted of non-interest-bearing Treasury notes (in denominations of \$5, \$10, \$20) authorized under the acts of July 17, August 5, 1861, and February 12, 1862. The act of February 25, 1862, authorized an issue of United States notes, popularly called greenbacks. As in the case of coins, there have been many changes in the laws governing United States currency. An act of July 11, 1862, authorized a new issue of currency and empowered the Secretary of the Treasury to have the notes engraved and printed by private contractor or to purchase machinery and materials and employ the necessary personnel for this purpose. Hence, in November 1862, the National Currency Bureau, now called the Bureau of Engraving and Printing (since August 15, 1876), started printing currency notes from plates engraved by Treasury employees. Previously, all such work had been done by private contractors. On October 1, 1877, the printing of all United States securities was centralized in the Bureau.

5. What are the coins and currency now issued by the United States?

The coins issued are standard silver dollars, subsidiary silver coins in denominations of 50 cents (half dollar), 25 cents (quarter dollar), 10 cents (dime), and minor coins in denominations of 5 cents (nickel), and 1 cent. The paper currency issued includes: Gold certificates, series 1934 (bearing on the face the words: "This is to certify that there is on deposit in the Treasury of the United States of America * * * dollars in gold, payable to bearer on demand as authorized by law"), in denominations of \$100, \$1,000, \$10,000 and \$100,000, which are issued only to Federal Reserve banks and do not appear in circulation; Silver certificates (bearing on the face the blue seal and serial number), in denominations of \$1, \$5, and \$10; United States notes (bearing on the face the red seal and serial number), in denominations of \$2 and \$5; and Federal Reserve notes (bearing on the face the green seal and serial number), in denominations of \$5, \$10, \$20, \$50, \$100, \$500, \$1,000, \$5,000 and \$10,000, but although all are issued, the \$100 note is the highest denomination printed since 1945.

6. What is a Bureau of the Mint assay office? Where are United States coins manufactured?

A Bureau assay office is an establishment where unrefined gold and silver are assayed, processed, refined, and made into bars with Government certification of their weight and quality. An assay office bar of gold or silver is stamped by the Government to distinguish it from bars made by commercial firms. At present, assay offices are operated in New York and San Francisco. Coins are manufactured at the Denver and Philadelphia Mints, the latter having been established in 1793. During fiscal year 1956, the mints manufactured a total of 1,413,745,542 United States coins with a face value of \$38,063,794.30, and shipped for circulation 1,811,615,477 United States coins (including silver dollars) with a face value of \$98,106,212.95. One-cent coins comprised 73 percent of the 6 denominations issued. From 1793 through June 30, 1956, the mints coined 39,544,960,519 pieces with a face value of \$7,560,189,318.27.

7. Does the United States manufacture coins for other nations?

Yes—from 1876 through December 31, 1955, United States mints produced 5,770,332,676 coins for 36 foreign governments.

8. How is paper currency printed?

As a precaution against counterfeiting, U.S. currency is printed by the engraved intaglio steel plate method on a distinctive paper with inks manufactured by the Bureau. The paper is composed of 50 percent linen and 50 percent cotton, and contains small segments of red and blue fibers which are embedded in the product during the process of manufacture. Such paper is produced by a commercial firm operating under strict Government supervision, and is furnished by the paper contractor in a mill-wet condition ready for printing upon delivery to the Bureau. The finished notes are examined in units of 100 each, and then banded and wrapped in packages of 4,000 notes, except for the high denominations which are packed in smaller units.

During fiscal year 1956, the Bureau printed 1,548,876,000 pieces of U.S. currency (the cost per note is about 0.009 cent—whether it be a \$10,000 note or a \$1 bill) with a face value of \$6,326,356,000; 96,928,538 pieces of U.S. bonds and other obligations with a face value of \$166,101,443,450; 22,689,528,030 pieces of U.S. Internal Revenue stamps with a face value of \$3,278,552,952.79; 23,956,346,877 pieces of U.S. and Canal Zone postage stamps with a face value of \$923,253,717.10; 114,944,593 pieces of U.S. war savings stamps with a face value of \$18,528,000; and 592,162,005 pieces of miscellaneous items.

9. Who determines the designs used on United States money?

Selection of designs for coins is made by the Director of the Mint with the approval of the Secretary of the Treasury. Congress has, in a few instances, prescribed a coin design, such as in the case of the Washington bicentennial 25-cent piece. Except where Congress determines otherwise, the design on a coin may not be changed oftener than once in 25 years. Portraits of living persons on United States coins are rare, being con-

fined to a few commemorative issues of limited minting. Determination of designs used on paper currency, including the selection of portraits, is a responsibility of the Secretary of the Treasury. By tradition, portraits used on present paper money are those of deceased statesmen. The United States Government does not pay a premium for rare coins or paper currency.

10. What are the designs of United States coins currently issued?

Denomination	Obverse	Reverse
Standard silver dollar.	Female head emblematic of Liberty.	Eagle on mountain top. Word "Peace."
Half dollar.	Benjamin Franklin.	Liberty Bell.
Quarter dollar.	George Washington.	Eagle.
Dime.	Franklin D. Roosevelt.	Torch of Liberty.
5-cent piece.	Thomas Jefferson.	Monticello.
1-cent piece.	Abraham Lincoln.	Wheat wreath.

11. What design features of historical or idealistic significance appear on United States paper currency?

1. The Great Seal of the Treasury: the date of its adoption is unknown, but the seal, which is imprinted upon the face of paper money and official Treasury documents, has been found on documents issued in 1782. The design includes a shield on which appear the scales of justice; a key, the emblem of official authority; and 13 stars for the original States. A Latin legend circularly enclosing the shield reads "Thesaur. Amer. Septent. Sigil." an abbreviation of "Thesauri Americae Septentrionalis Sigillum," meaning "The Seal of the Treasury of North America." 2. The Great Seal of the United States, reproduced on the reverse of \$1 silver certificates. 3. The portraits of great Americans used on the face of currency. 4. Pictures of famous buildings or monuments used on the reverse of some currency.

12. What are the designs on United States currency now being issued?

Regardless of the type of currency, all those of the same denomination bear the same portrait. The designs are as follows:

Denomination	Portrait	Back
\$1 silver certificate.	Washington.	Obverse and reverse of U.S. Great Seal.
\$5 silver certificate.	Lincoln.	Lincoln Memorial.
\$10 silver certificate.	Hamilton.	U.S. Treasury Building.
\$2 U.S. note.	Jefferson.	Monticello.
\$5 U.S. note.	Lincoln.	Lincoln Memorial.
\$5 Federal Reserve note.	Lincoln.	Do.
\$10 Federal Reserve note.	Hamilton.	U.S. Treasury Building.
\$20 Federal Reserve note.	Jackson.	White House.
\$50 Federal Reserve note.	Grant.	U.S. Capitol.
\$100 Federal Reserve note.	Franklin.	Independence Hall.
\$500 Federal Reserve note.	McKinley.	Ornate 500.
\$1,000 Federal Reserve note.	Cleveland.	Ornate 1,000.
\$5,000 Federal Reserve note.	Madison.	Ornate 5,000.
\$10,000 Federal Reserve note.	Chase.	Ornate 10,000.
\$100,000 gold certificate.	Wilson.	Ornate 100,000.

13. When did the motto "In God We Trust" first appear on United States money?

It first appeared on a coin (a 2-cent piece) in 1864, on the direction of Salmon P. Chase, Secretary of the Treasury, but it has not appeared on all coins of all series. However, an act approved by the President on July 11, 1955, provides that the motto shall appear on all United States coins and paper currency.

14. What is the meaning of the star in front of the serial number of some United States currency?

In the event a regularly numbered note is imperfect, it is replaced by a "star" note. "Star" notes are exactly like the notes they replace except that they have a special serial number and a star. On United States notes and silver certificates, the star is substituted for the prefix letter; on Federal Reserve notes, it replaces the suffix letter. A "star" note is also issued for the 100,000,000th note in a series since 8 digits are the maximum practicable in the mechanical operation of numbering machines.

15. What happens to unfit currency and coins?

The wornout notes are reduced to ashes by incineration. One dollar bills (over a billion of them are in circulation) last about a year, and make up the bulk of unfit currency. Unfit coins are returned to the mints where they are melted down and the metal re-used.

16. Can mutilated United States currency be exchanged?

Paper currency will be exchanged at its face amount when at least three-fifths of the original proportions remain. Fragments of less than three-fifths, when identifiable as to denomination, kind, and genuineness, are exchangeable at the face amount by the Treasurer of the United States if accompanied by an affidavit which states ownership, sets forth that the missing portions have been totally destroyed, and describes the cause and manner of destruction. When such affidavit is not furnished, fragments of less than three-fifths but more than two-fifths are exchangeable by the Treasurer at only one-half the face amount, and fragments of two-fifths or less are not exchangeable. Charred fragments that can be identified may be redeemable but ashes are worthless.

17. What is the origin of the dollar sign?

There are a number of explanations regarding the origin of the dollar sign. Perhaps the most widely accepted one is that it is the result of evolution, independently in different places, of the Mexican or Spanish "P's" for pesos, or piastres, or pieces of eight. The theory, derived from a study of old manuscripts, is that the "S" gradually came to be written over the "P," developing a close equivalent of the dollar mark, which eventually evolved. It was widely used before the adoption of the United States dollar in 1785.

18. When was currency of the present size first issued?

It was issued first in July 1929, replacing the old, larger notes. The present size is approximately 2.61 inches by 6.14 inches, and the thickness is 0.0043

inch. New notes will stack 233 to 1 inch.

19. What is the monetary standard of the United States?

The gold dollar is the standard unit of value in the United States, and the Secretary of the Treasury is required to maintain all forms of money issued or coined by the United States at parity with the gold dollar. However, the Government does not issue any gold coin, does not permit the hoarding of gold, and issues gold certificates only to Federal Reserve banks.

20. How do United States coins enter circulation?

The supply of our coins is governed by demand. They are manufactured by two coinage mints located at Philadelphia and Denver; the responsibility of distribution rests with the Director of the Mint. The Federal Reserve banks make requisition upon the Director of the Mint for the denominations and amounts required to meet the demands of business and the Director, in turn, arranges with the mints for shipment of the coins to the Federal Reserve banks. The accounting procedure and further steps in distribution are the same as described below in 21 and 22 for paper currency.

21. How does United States paper currency enter into circulation?

Paper currency is manufactured at the Bureau of Engraving and Printing. The distribution of currency is made through the Federal Reserve banks and branches, and by the Treasury. Member banks of the Federal Reserve System carry their reserve accounts with the Federal Reserve bank of their district, and when they need additional currency they authorize the Federal Reserve bank to charge their reserve account and ship the currency to them. The Federal Reserve banks will ship on such requests such currency as is required.

22. How do the Federal Reserve banks procure currency?

The Federal Reserve banks procure the currency by two methods. Where United States silver certificates or United States notes are required, they make request upon the Treasurer of the United States and shipments are made to the Federal Reserve banks as a transfer of funds for credit of the Treasurer's account. The Federal Reserve banks then make the distribution to banks in their district.

If they require other than United States notes or silver certificates, the Federal Reserve banks procure Federal Reserve notes by tendering to their Federal Reserve agent the necessary collateral, which may be United States obligations, discounted or purchased paper eligible under the terms of the Federal Reserve Act, as amended, or gold certificates. The Federal Reserve bank must maintain a reserve of gold certificates or gold certificate credits of at least 25 percent of these notes in actual circulation. Banks not members of the Federal Reserve System may procure new currency also by remitting old currency to the Federal Reserve banks in exchange for new. Usually nonmember banks procure their currency through a

correspondent member bank located in the same city with the Federal Reserve bank.

While a member bank of the Federal Reserve System may have rediscounted paper lodged with the Federal Reserve bank, it does not necessarily follow that it will procure new currency against such collateral. The collateral may be discounted and the proceeds placed to the credit of the member bank in its reserve account against which it may draw for new currency as required. The Federal Reserve banks use such collateral to procure new Federal Reserve notes from the agent as their needs require. When Federal Reserve notes, United States silver certificates, or United States notes become unfit for further circulation, they are received by the Federal Reserve banks for credit or remittance to the remitting banks. It will be seen that there is a constant issuance and replacement of paper currency by the process described.

23. Who owns the Federal Reserve System?

THE GOVERNMENT OF THE UNITED STATES OWNS THE FEDERAL RESERVE SYSTEM

While the Federal Reserve banks are set up for public purposes under Government supervision, their so-called capital stock is held by nearly 6,800 member banks, which include all commercial banks with national charters and such qualified banks with State charters as voluntarily choose to belong to the System. Each member bank must subscribe to the capital of its regional Federal Reserve bank in an amount equal to 6 percent of the member's capital and surplus. Only half of the subscription, however, has ever been called for and paid in. As owners of the stock of the Federal Reserve bank, member banks receive 6 percent dividends and elect six of the nine directors, but beyond this do not have the powers and privileges that customarily belong to stockholders of privately managed corporations. The stock cannot be sold or hypothecated. Stock ownership does not carry with it ownership in whole or in part of the System. Specifically, most of the important policy decisions in the operation of the Reserve banks are under the supervision or control of the Board of Governors rather than the directors chosen by the shareholders; the operations of the Reserve banks are, moreover, directed toward public service rather than the profit-seeking ends of privately managed banks; and any earnings in excess of expenses, dividends and reserves belong ultimately to the United States Government rather than to the shareholders. Each year 90 percent of the earnings are paid to the U.S. Treasury, the other 10 percent is retained in the surplus funds of the Federal Reserve banks but belongs to the Government. Over \$500 million was paid into the Treasury the past year.

24. If the Federal Reserve banks are not guided by the usual profit-seeking objectives of private banks, then what guides does the System have for setting a proper course of action and for determining the appropriate amount and cost of credit for the country?

The law establishing the System sets forth certain guiding principles to be observed. In general these allow wide discretion and provide simply that Federal Reserve policies shall be fixed with a view to accommodating commerce and business, and that actions taken by the System shall be taken with due regard to their bearing upon the general credit situation of the country. While the Federal Reserve System is not specifically mentioned in the Employment Act of 1946, Congress in that act declared it to be the continuing policy and responsibility of the Federal Government to utilize all its functions and resources to create and maintain, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions which will promote maximum employment, production and purchasing power. As an integral part of the Government of the United States, officials of the System must have these objectives in mind as they make decisions affecting the availability and cost of credit.

25. How did the concept of reserves in our modern banking system develop?

The medieval goldsmith was the forerunner of the modern banker. A modern commercial bank is required to maintain reserves against its deposits so that it will be in a position to pay out cash on demand of the depositors. The old goldsmith, before the invention of deposit money, kept a supply of gold coin on hand. It became a custom for persons owning gold to deposit it with the local goldsmith for safekeeping, the depositor receiving a receipt from the goldsmith.

The depositor soon found out that it was unnecessary to draw out the gold each time a payment was to be made. The custom grew up for buyers and sellers to consider the gold receipts to be "as good as gold" and the receipts became a primitive form of paper money. It was discovered that normally the goldsmith should not expect over a small fraction of the total gold deposited with him to be withdrawn.

Then the practice grew up for the goldsmith to lend out a substantial portion of the deposited gold, which he did not own but for which he could get interest, keeping on hand enough gold reserve to cover the demands that he might normally expect the owners of the gold to make on him. In this way, a system of money based on fractional reserves came into being. The goldsmith, in return for an interest charge was providing the community with a medium of exchange and a place for safekeeping of deposits.

SAME AS EARLY GOLDSMITHS

The modern bank developed slowly. Although it was essentially the same system as that of the early goldsmith, the quantity of banknotes issued as loans to customers was several times as large as the reserves. Now, banks are required to keep a certain amount of money in reserve in order to be able to pay its depositors on demand. The average is about one-seventh. In other words, the banking system can make

loans and investments equal to about seven times the amount of reserves. If the reserve requirements are increased by the Board of Governors of the Federal Reserve System the banks can lend less money; if the reserves are decreased the bank can lend more money. On time deposits the reserve requirement is 5 percent, thereby permitting commercial groups to create money equal to \$20 for every \$1 in reserve.

Our money is based on debt. The banking system increases the money supply when a borrower goes into debt to a bank and the money supply is decreased when the debt is paid. Therefore, commercial banks create and extinguish checkbook money, which is referred to as demand deposits and is the principal money in use.

The contraction or increase of the supply of money represents a great economic problem. It is now controlled by the Board of Governors and the Open Market Committee. It has been suggested that if our commercial bankers are modern goldsmiths our money managers should be referred to as chiefs of the goldsmiths.

26. Besides owning so-called stock, electing certain directors, and receiving limited dividends, what other obligations and privileges go with being a member bank?

Member banks must comply with the reserve requirements established by the Board of Governors, and are subject also to various requirements of the act with respect to branch banking, interlocking directorates, holding company regulation, and so forth. In return, member banks are entitled to use the Federal Reserve facilities for collecting checks and transferring funds to other cities; and, more important to the economic affairs of the country, members are entitled to borrow from the Federal Reserve banks when in need of additional funds. Because of the nature of these services to member banks, the Federal Reserve banks have sometimes been referred to as banker's banks.

27. What reserves must member banks keep?

The Board of Governors has full authority to establish reserve requirements of member banks within the range of discretion established by law. The present legal minimum and maximum requirements on demand deposits are 13 and 26 percent in New York and Chicago, 10 and 20 percent in 49 designated "reserve cities," 7 and 14 percent in other parts of the country, and on time deposits in all parts of the country 3 and 6 percent, now 5 percent.

28. What is legal tender?

Any particular form of money which must be accepted by a creditor in payment of a debt, is legal tender. Congress, by joint resolution approved June 5, 1933, in effect abrogated all "gold clauses" in existing public and private contracts and securities and put all coins and currencies on a par with each other by providing that

All coins and currencies of the United States * * * heretofore or hereafter coined or issued shall be legal tender for all debts,

public and private, public charges, taxes, duties, and dues, * * *.

29. To what extent are the several coins of the United States a legal tender?

Until 1933 minor coins (cents and nickel)—up to 25 cents in any one payment; subsidiary silver coins (dime, quarter, half dollar)—up to \$10; but in 1933 these limitations and restrictions were removed and, like gold coins and silver dollars, they are good in any amount. Gold certificates are legal tender for all debts in any amount.

30. What is the rule for redeeming mutilated currency?

The United States Treasury redeems mutilated notes at half of their face value if between two-fifths and three-fifths is available. If three-fifths or more is available, it is redeemed at full value.

31. What kind of money does the Federal Reserve create?

The Federal Reserve creates high powered dollars—that is, dollars that the commercial banks can use for expansion purposes, just like the goldsmith of old. In the Central Reserve cities, New York and Chicago, the banks can lend on demand deposits about \$5 to every \$1 in reserve, country banks on demand deposits about \$9 to every \$1 reserve, and Reserve city banks in between. However, any bank anywhere can lend \$20 to every \$1 of reserve on time deposits.

PROOF

Mr. PATMAN. * * *. Anyway, the commercial banks, when they buy bonds or anything else, create the money, so to speak, to buy them with?

Mr. ECCLES. That is right. (Hearing before the Banking and Currency Committee of the House of Representatives, June 21, 1941, on S. 1471, p. 68.)

32. Can the commercial banks use these high-powered dollars to create money to buy United States Government securities?

Yes; and the commercial banks have created over \$60 billion on their books and actually bought Government bonds with the created money and hold the bonds at this time. They have been doing it for decades; it is very profitable to them. Last year, 1958, the commercial banks were given, absolutely free, sufficient reserves to buy and they did buy \$10.4 billion in U.S. Government securities. This will enable the banks to collect in interest between \$300 million and \$400 million annually on these bonds—without any additional investment; not a penny more. In a statement I filed in the CONGRESSIONAL RECORD February 19, 1959, under the heading "The Government's \$10 Billion Gift to the Private Banks Last Year, and How Such Gifts Can Be Stopped," this manufacture of money on donated high-powered dollars was fully discussed. It commences at page 2772 in the RECORD of February 19, 1959.

33. Will this practice of permitting the commercial banks to create the money without cost to them to buy Government securities continue?

The banking lobby expects the practice to continue and be enlarged upon. Their goal for 1959 is for a 50 percent

increase over 1958 when they were allowed to get the reserves free to purchase \$10.4 billion.

The biggest giveaway of all is now pending. It is labeled "the vault cash bill" but I say that is a false front. Behind the smokescreen is a proposal to make the big banks bigger and richer. It is recommended by the administration and the Federal Reserve. It involves transferring over to the private banks, free of charge, up to about \$15 billion of Government-owned bonds. This will be by far the biggest giveaway of all times. All the Teapot Domes, Dixon-Yates deals, public-land grabs, timber steals, and defense-contract riggings put together amount to only pennies by comparison. It is 50 percent more than in 1958 when the banks were given \$10.4 billion. These bonds have been paid for once and should be canceled, so that our national debt will be reduced by that amount. I shall propose an amendment to do this when the bill comes before the House of Representatives. This legislation commences a new practice of putting Government bonds back into circulation after they have been paid for with Government money, and this will require their payment the second time—and maybe the third or fourth time. This does not make any kind of sense—common, book, or horse—but it does make nonsense. The reason is the people generally are not informed about it and enter no protest. The Members of Congress have terrific pressure from the banking lobby that will profit so handsomely from this giveaway. Our exposés are scandalous and shocking but they are only printed in the daily CONGRESSIONAL RECORD, which is read by few people—although it can be subscribed for like any other publication for \$1.50 a month. This is all happening right here in the United States of America in broad daylight—while the Members of Congress have their eyes wide open with printed testimony from banker representatives disclosing in large type—not fine print—exactly what they propose to do.

I have great respect for Members of Congress. The truth is they do not have sufficient help and they are too busy with other urgent, pressing matters to give these subjects the time and attention they deserve. Their own constituents are not pressing them to consider these problems because they see nothing about it in the press and hear nothing about it over television or radio.

34. What effort was made to change the "giveaway" bill in the committee?

The following statement was issued by me May 21, 1959:

"AN AMENDMENT TO BOND 'GIVEAWAY' BILL WHICH WILL REDUCE THE FEDERAL DEBT BY \$15 BILLION

"The Federal Reserve System is now holding \$25 billion of the outstanding Federal debt in the form of bonds and other interest-bearing obligations, which have been purchased in the open market and paid for with Government funds. This amount of the Federal debt has, in effect, been canceled.

"This morning the House Committee on Banking and Currency will decide whether or not it will approve the bond

'giveaway' bill, S. 1120, which has already passed the Senate. The stated purpose of this bill is to make certain adjustments in the required reserves of the private banks, so as to correct what the Federal Reserve considers to be 'inequities.' But what is important, the bill approves a proposal to give away to the private banks about \$15 billion of these Government-owned securities now held by the Federal Reserve. I will try to persuade the committee to accept an amendment to the bill which will require the Chairman of the Federal Reserve Board to transfer these obligations to the U.S. Treasury, so that this amount of debt will be canceled.

"INTEREST-RATE CEILING TO BE LIFTED SOON

"Although the Federal debt is now at an alltime high, it is expected that the administration will shortly ask Congress to increase both the debt ceiling and the 1918 ceiling on interest rates at which the Treasury may issue marketable U.S. bonds. Giving to the private banks bonds which the Government has already paid for once would mean that the Government would have to pay for them again, when the bonds became due; and meanwhile, costs to the taxpayers would go up.

"Interest payments on Federal Reserve holdings of about \$25 billion of U.S. obligations provides the System with an income several times the amount needed to pay its expenses; and the bulk of this income is paid back into the U.S. Treasury. In 1957 the System had an income of \$763 million, out of which it paid \$221 million for expenses and into miscellaneous reserves. The remainder, \$542 million, was returned to the U.S. Treasury. This \$542 million each year will have to come out of the taxpayers' pockets if \$15 billion of these bonds are given away to the private banks, as these interest payments will then go into bank profits instead of into the U.S. Treasury. With interest rates as high as they are now, \$10 billion in Government obligations is more than enough to provide the Federal Reserve with an operating income and also leave it with bonds which it could sell, if need be, for purposes of tightening credit."

Although I had 5 minutes to explain my amendment the committee refused to permit me the opportunity to present witnesses to support my arguments for it. I was not on Subcommittee No. 2 reporting the bill to the full committee. The printed record was silent on this question except a statement in the hearings submitted by the Federal Reserve making it abundantly clear what is proposed, as I have outlined it. No questions were asked about it at the hearings.

35. Can reserves be changed in a way that will enable a commercial bank to greatly increase its money-creating powers?

If a bank in a Reserve or a Central Reserve city bank makes a loan on demand deposits its reserve requirements are higher than the other banks, called the country banks. But if such loans are made on time deposits the reserve requirement of 5 percent is the same at

all commercial banks. If a bank, in New York for instance where the reserve on demand deposits we will say is 20 percent at the time of the loan, makes a loan for \$1 million and finds that loan puts the bank in a "loaned up" position, it is possible for a change in its deposits to be made and its position changed. If a customer who has a million dollars on demand deposit in the bank switched his deposit to a time deposit three-fourths of the required reserve on the loan will be released. In other words the bank had to use \$200,000 of its reserves to carry the \$1 million loan on demand deposits but only a \$50,000 reserve is required to carry the loan on time deposit. It will not only reduce the required reserve for the loan but it will enable the bank to make \$4 million in loans on the \$200,000 reserve, instead of \$1 million. In this way interlocking directorates—the bank with many industrial and business firms—could come in pretty handy.

HOW FREE RESERVES ARE FURNISHED COMMERCIAL BANKS TO BUY U.S. BONDS

Mr. PATMAN. Governor, in regard to the excess reserves, it is not contemplated that you expect to change these reserves so that the larger banks can buy more Government bonds? You do not have that in mind now?

Mr. ECCLES. Well, it is not done, I would say, for that purpose, primarily or specifically. If we wanted to enable the banks to buy a lot of bonds we could.

Mr. PATMAN. By lowering the reserve requirements?

Mr. ECCLES. By lowering the reserve requirements, yes; or we could step up and buy a lot of bonds directly by Fed itself, and put more reserves in by open-market purchases. * * *

Mr. PATMAN. * * * Let us suppose that the banks are called upon to buy \$12 billion of Government bonds today. That consumes all of their excess reserves. If you wanted to increase their excess reserves in order to buy another \$12 billion of Government bonds, how would you do that, through the Federal Open Market Committee?

Mr. ECCLES. We might decrease the reserve requirements.

Mr. PATMAN. How would you decrease them?

Mr. ECCLES. I think it runs between \$5 billion and \$6 billion.

Mr. PATMAN. Between \$5 billion and \$6 billion?

Mr. ECCLES. Yes; somewhere between 5 billion and 6 billion.

Mr. PATMAN. If it were decreased as you suggest, that would enable you to buy how many bonds?

Mr. ECCLES. If we decreased it to the full amount, then the reserve requirements are 10 percent instead of 20 percent, and you can buy about 10 to 1.

Mr. KEAN. What does change it from 5 to 1 or 10 to 1? Would you explain that again?

Mr. ECCLES. As it is the requirements of the Federal Reserve Bank System of the country as a whole are about 20 percent. If we changed the reserve requirements to the full amount we could then say the reserve requirements are only 10 percent instead of 20 percent, and you can get about 10 to 1, and that would be about \$50 billion.

Mr. PATMAN. After you have already reduced the reserve requirements of the banks and have bought these \$50 billion in bonds, if you need to buy still more, how would you handle the others? Suppose you wanted to call upon them to buy \$25 billion more in bonds?

Mr. ECCLES. We could carry it on then, if it were necessary, by an open-market operation.

Mr. PATMAN. In other words, you buy a billion dollars' worth of bonds, what would be the effect of that billion dollars on the banks?

Mr. ECCLES. If they could get a billion dollars they could buy up about \$10 billion in bonds.

Mr. PATMAN. Then if you need to sell another \$10 billion worth of bonds, you could get another billion dollars from the bank?

Mr. ECCLES. Yes; but if you did that you would have inflation on your hands, if you got any higher. (Hearings before the Banking and Currency Committee of the House of Representatives, June 17 and 19, 1942, on bill H.R. 7158, p. 17.)

FEDERAL RESERVE CREATES MONEY, SAYS CHAIRMAN OF THE BOARD

Mr. ECCLES. No; the Federal Reserve would buy in the open market. If the Federal Reserve then bought a billion dollars of securities in the open market that would be new Treasury issues. The banks would still hold them, and the Federal Reserve would put into the banks another billion of excess reserves. If they used that billion they could buy five billion more of Governments, and you could keep the price up. For every billion of the Federal Reserve banks put in the open market operations, the private banks could buy five billion.

Mr. DEWEY. That comes pretty close to some other ideas I have heard.

Mr. ECCLES. I mean they could buy ten billion. I mean the Federal Reserve when it carries out an open market operation, that is, if it purchases Government securities in the open market it puts new money into the banks which creates idle deposits.

Mr. DEWEY. There are no excess reserves to use for this purpose.

Mr. ECCLES. Whenever the Federal Reserve System buys Government securities in the open market or buys them direct from the Treasury, either one, that is what it does—

Mr. DEWEY. What are you going to use to buy them with?

Mr. ECCLES. What is who going to use?

Mr. DEWEY. The Federal Reserve bank to make these purchases.

Mr. ECCLES. What do they always use?

Mr. DEWEY. You are going to create credit?

Mr. ECCLES. That is all we have ever done. That is the way the Federal Reserve System operates. The Federal Reserve System creates money. It is a bank of issue. (Hearings before the Banking and Currency Committee of the House of Representatives, June 17 and 19, 1942, on bill H.R. 7158, p. 21.)

FEDERAL RESERVE NOTES PAID FOR GOVERNMENT BONDS PURCHASED BY FEDERAL RESERVE

Mr. ECCLES. The Open Market Committee can buy either those bonds or any other bonds either from the bank that you indicate or from a dealer or from any other bank.

Mr. PATMAN. I am just giving that as an illustration, not as a specific case.

Mr. ECCLES. But the System does not operate that way. No Reserve bank buys Government bonds from any bank. The Open Market Committee does the purchasing, and they do the purchasing in the open market because the law requires that they do the purchasing in the open market, and requires that they cannot buy directly.

Mr. PATMAN. Of course I am not taking that into consideration, but the effect of it is the same. If the bank sold a million dollars in bonds, although it was through the open market, the effect is the same. You have transferred—

Mr. ECCLES. Credit. As a practical matter, the bank that sold the bonds would sell those bonds in the market.

Mr. PATMAN. In the open market; that is right.

Mr. ECCLES. And would get credit either at the Reserve bank or at a correspondent bank, for which they could get Federal Reserve notes if they wanted them.

Mr. PATMAN. So if the statement that you are transferring one Government obligation that is noninterest bearing for another Government obligation that is interest bearing is correct, then you continue to draw interest until those bonds are due and payable?

Mr. ECCLES. That is correct; yes, sir. (Hearings before the Banking and Currency Committee of the House of Representatives, June 21, 23, 24, and 25, 1941, on S. 1471, p. 78.)

FEDERAL RESERVE BANK HELD \$2.2 BILLION SECURITIES IN 1941—NOW HOLD \$25 BILLION. HOW PURCHASED AND HOW USED

Mr. PATMAN. You have about \$2,200 million of Government securities now in the 12 Federal Reserve banks?

Mr. ECCLES. That is right.

Mr. PATMAN. How did you purchase those securities?

Mr. ECCLES. Most of those securities were purchased before I came on the Board.

Mr. PATMAN. Well, you would have knowledge of how they were purchased?

Mr. ECCLES. Yes. Those securities were all purchased in the open market. Most of them were purchased in the panicky period of 1931, 1932, and 1933.

Mr. PATMAN. Have you had in mind keeping a certain amount of securities, the interest from which would be sufficient to pay the operating expenses of the Federal Reserve banks?

Mr. ECCLES. I certainly have.

Mr. PATMAN. You say you certainly have?

Mr. ECCLES. Yes.

Mr. PATMAN. In other words, keeping enough Government securities to pay operating expenses?

Mr. ECCLES. Yes, sir.

Mr. PATMAN. That is, in order to prevent you from having to come to Congress for an appropriation to maintain you?

Mr. ECCLES. Well, if Congress desires to have the Reserve System operate on a basis of appropriations, of course, it is up to Congress to do that; but until Congress determines that the Reserve System should come to Congress for its operating appropriations, it seems to me that it would be the duty of those responsible for the operation of the System to provide that the income will maintain the outgo.

Mr. PATMAN. It occurs to me, though, that that is no more reasonable in your case than it would be in the case of any other agency in the Government. In other words, if it is right to permit you to transfer non-interest-bearing obligations of the Government for other Government obligations that bear interest, and to permit you to keep those obligations and receive interest on them annually, in order, as one of the main reasons, to maintain and pay your operating expenses, then any other agency could be allowed to do the same thing, and there would be just as much reason and logic to support their contention that they be allowed to do so.

Mr. ECCLES. It costs the Government, of course, no more to pay interest on the securities that the Reserve System might hold than it would be to appropriate money for the purpose of operating the Reserve System.

Mr. PATMAN. Yes, it would, too. I beg to differ with you, my dear sir. I do not mean to be sharp in my reply. But if you were considered the same as another Government agency, you would not be paying 30-, 40-, or 50-thousand-dollar-a-year salaries as you are doing, if you had to get your appropriations from Congress.

Mr. ECCLES. You make it appear, of course, that the salaries of the Reserve System are very excessive.

Mr. PATMAN. Not many of them, but a few of them. (Hearings before the Banking and Currency Committee of the House of Representatives, June 21, 23, 24, and 25, 1941, on S. 1471, pp. 75-76.)

FEDERAL RESERVE NOTES A GOVERNMENT OBLIGATION THE SAME AS INTEREST-BEARING GOVERNMENT SECURITIES

Mr. PATMAN. Now, I want to ask you about these Federal Reserve notes. You consider them obligations of the United States Government, do you not, Governor Eccles?

Mr. ECCLES. I do.

Mr. PATMAN. They are just as much an obligation of the Government as a Treasury bond or any security that is issued by the Government?

Mr. ECCLES. They are just as much an obligation as, say, the silver certificates or what we speak of as the greenbacks, of which some are still out.

Mr. PATMAN. Or the bonds that have coupons on them that you clip?

Mr. ECCLES. That is right. They are just a little different form of obligation.

Mr. PATMAN. I understand they are a different form of obligation, but at the same time they are Government obligations and a Government responsibility?

Mr. ECCLES. That is right. (Hearings before the Banking and Currency Committee of the House of Representatives, June 21, 23, 24, and 25, 1941, on S. 1471, p. 74.)

CHAIRMAN OF BOARD SAYS FOR ALL PRACTICAL PURPOSES GOVERNMENT OWNS FEDERAL RESERVE, ALSO HOW GOVERNMENT SECURITIES PURCHASED

Mr. PATMAN. Mr. Eccles, the day before yesterday I had gotten down to the point where, if we needed more money, one way to give the banks extra reserves to purchase Government bonds would be for the Open Market Committee to buy Government bonds in the open market, and I suggested if you bought for the Federal Reserve bank \$1 billion worth of bonds, that would automatically create a billion dollars of reserves in the banks and, after the reserves had been reduced 50 percent, the maximum, that would enable the banks to purchase \$50 billion worth of bonds. Now, let us assume that has happened—

Mr. ECCLES. Ten million dollars' worth, by the purchase of a billion dollars' worth of bonds in the market.

Mr. PATMAN. I got the two mixed up. The purchase of a billion dollars' worth of bonds in the market, after the excess reserves had been reduced, will enable the banks to buy 10 billion?

Mr. ECCLES. That is right.

Mr. PATMAN. Where the 50 billion came in was if you would automatically reduce the reserves now, which you have a right to do, that would give them \$5 million of excess reserves which they could use to purchase \$50 million worth of bonds.

Mr. ECCLES. That is right.

Mr. PATMAN. Now let us assume that we not increase the reserves in the banks, and you go in the open market and buy a billion dollars' worth of bonds; you buy them with Federal Reserve money, do you not?

Mr. ECCLES. Well, we buy them with Federal Reserve credit.

Mr. PATMAN. I know; but suppose the banks call for the money, you issue Federal Reserve notes, do you not?

Mr. ECCLES. What we do, if we purchase Government securities in the market, is we credit the account of the bank that turns them in. They usually come through the banks.

Mr. PATMAN. That is right.

Mr. ECCLES. Even though they may be individuals who are selling the securities; and

we debit the bond purchase account, showing that the Federal Reserve has a liability to the banks to the extent of \$1 million, which represents their reserves on the one hand, and that they own \$1 million of bonds in what we call the portfolio, on the other hand.

Mr. PATMAN. I know in practice that is exactly the way it is done, Mr. Eccles; but suppose the banks want the billion dollars in currency, you would pay it in the Federal Reserve notes, would you not?

Mr. ECCLES. That is right.

Mr. PATMAN. Those Federal Reserve notes, as we have often discussed, are obligations of the United States Government?

Mr. ECCLES. That is right.

Mr. PATMAN. Then you use those Government obligations to buy interest-bearing Government obligations and you place them with the Federal Reserve banks, 12 of them?

Mr. ECCLES. That is right.

Mr. PATMAN. And they would continue to receive interest on those Government obligations as long as they were outstanding?

Mr. ECCLES. That is right.

Mr. PATMAN. So the result is the Government's credit has been used and the Government has gotten nothing for the use of that credit; the Federal Reserve banks are using it free, are they not?

Mr. ECCLES. Well, the Government in effect, for all practical purposes, owns the Federal Reserve banks.

(Hearings before the Banking and Currency Committee of the House of Representatives, June 17, 19, 1942, on bill H.R. 7158, pp. 25-26.)

DISCUSSION OF GOVERNMENT INTEREST BURDEN IN 1942; AFTER WORLD WAR II; CHAIRMAN OF FEDERAL RESERVE BOARD SAYS ALL MONEY PRINTING-PRESS MONEY

Mr. PATMAN. Another point, Mr. Eccles, is that there are 197,000 taxing units in the Federal Government, and State governments, 48 State governments, 3,070 counties, and different school districts and road districts and levy districts and all kinds of political subdivision districts. Now, a number of these districts, and especially school districts, are dependent upon sources of revenue that are going to be greatly decreased because of eliminating the making and the sale of automobiles and restricting so greatly the use of gasoline, upon which there is a heavy tax and which is one of the principal sources of revenue for many of the school districts and school systems throughout the country.

Have you or your group given any consideration to the Government assuming any part of these obligations under the unusual circumstances caused by the war, in the national interest in helping out those school districts, for instance?

Mr. ECCLES. No, no; the Federal Reserve Board has not and I don't know of any other agency of government that has.

Mr. PATMAN. It has not?

Mr. ECCLES. Not that I know of.

Mr. PATMAN. In connection with the receipt and expenditures of the Federal Government, I believe that we will appropriate this year, by the time this Congress is over, about \$150 billion; will it not, Mr. Eccles? It has already gone over 100 billion.

Mr. ECCLES. I haven't kept track of the appropriations from day to day and that is what one would have to do to keep up with it.

Mr. PATMAN. I mean authorizations.

Mr. ECCLES. Yes.

Mr. PATMAN. Like the other day we appropriated \$8½ billion.

Mr. ECCLES. That is authorizations you are referring to?

Mr. PATMAN. Yes. Anyway they exceed \$150 billion?

Mr. ECCLES. Yes.

Mr. PATMAN. I had the amount of receipts added up of our Government from the time it was first organized in 1789 to the present time, and the total receipts to date are only

143-odd billion dollars, so that will be greatly in excess of what the Government has heretofore collected in all the 153 years of its existence. And, regarding the interest rates on Government bonds, the interest collected for the first 120 years of our country's existence, the average amount of interest paid was \$20 million a year.

From 1893 to 1917, it only averaged \$33 million, but since 1917, the interest each year has been \$801 million.

I bring this up for the purpose of showing that the interest paid on Government obligations had never been a problem up until after the First World War, and it never did become such a great burden until now when it looks like we are facing a \$300 billion debt, and if we pay as much as 2½ percent interest there will be an interest burden of \$7½ billion, and if we have to pay that much and if people like yourself insist that we must do it, and you say we must pay interest, why, I don't see how we will ever pay this debt of \$7½ billion in interest and then the running expenses of the Government.

It looks to me like it will be just almost unbearable.

Mr. ECCLES. Of course, I don't agree with you that the interest is the problem indicate, neither do I agree that there is any necessity for, any such size of debt. If we ever permit the debt to go to \$300 billion, it will be because the Congress has been unwilling to levy the kind of taxes that a war economy calls for.

It seems to me that we confuse ourselves a good deal with reference to what we call the "burden" of debt.

You have made some comparisons with former periods in our history. It seems to me that the economy today has greater wealth-producing power, than, of course, it has ever had before. The thing that is of importance is: what has the economy left over after paying the interest? Does the payment of interest to the Government in any way detract from our ability to produce and distribute wealth, or to produce and distribute goods?

It actually doesn't in any way interfere with the ability of our economy to produce and distribute goods and after all that is the wealth of the country.

Mr. PATMAN. But it will make a big difference to the taxpayers. Suppose you create \$1 billion through the Federal Reserve and pay 2½ percent on that debt for the next 40 years, the debt will be paid, but if you create the money through a commercial bank and pay 2½ percent interest for 40 years, you still owe the debt at the end of those 40 years, so there is a big difference to the taxpayer.

Mr. ECCLES. If all debts were paid, you would have no money.

Mr. PATMAN. That is very true.

Mr. ECCLES. And it is impossible for an economy to save and invest without debt. That is the very basis of your capitalistic system and even in the communistic countries, Russia, for instance, they have recognized the need of debt and savings.

Mr. PATMAN. Not necessarily interest-bearing debt.

Mr. ECCLES. They have interest-bearing debts, however.

Mr. PATMAN. I say not necessarily interest-bearing debt. You can create money without interest-bearing debt.

Mr. ECCLES. The Russian Government sells an interest-bearing bond to its people and they likewise have an insurance system or mutual insurance systems of insurance, government-owned, of course, that enables people to save through buying this insurance, as people in this country save to buy insurance, and unless you devise some system for completely eliminating savings, it seems to me that you cannot eliminate a system

of debt, and as long as you have debt there must be interest on that debt.

Mr. PATMAN. Not necessarily to create money, Mr. Eccles, you don't say that, do you?

Mr. ECCLES. No, no; you can print money. I mean there is no problem at all about the United States Government being able to issue greenbacks to whatever extent it desires.

Mr. PATMAN. Well, the Federal Reserve Bank issues greenbacks every day, doesn't it?

Mr. ECCLES. No, no; the Federal Reserve bank does not issue greenbacks to pay for the Government deficits at all.

Mr. PATMAN. Let us see if they do. Suppose you buy \$1 billion worth of Government bonds, where do you get the money?

Mr. ECCLES. But it is the purpose for which you issued it.

Mr. PATMAN. I know. I am asking you where you get that \$1 billion? Where did you get it? You create it, don't you?

Mr. ECCLES. We are a bank of issue. That is a central bank. All central banks do that. The central banks of Russia and Germany do that.

Mr. PATMAN. And if that isn't printing press money, I would like to know what it is.

Mr. ECCLES. There has been no scheme devised for creating money in any other way. (Hearings before the Banking and Currency Committee of the House of Representatives, June 17, 19, 1942, on bill, H.R. 7158, pp. 42-44.)

CHAIRMAN MARTIN SAYS HE CANNOT NAME A SINGLE PURPOSE SURPLUS FUNDS WILL PROBABLY BE NEEDED FOR

In July 1957 when Chairman Martin was testifying on S. 1451, at pages 517-518, the following appears:

Mr. PATMAN. The Federal Reserve earnings that are mentioned in this bill, the division of the earnings as between 90 and 10 percent, is there any reason why you should have 10 percent go into the Federal Reserve bank surplus fund, when the Reserve banks have an amount in their surplus equal to their capital stock? Is there any reason for putting more money in these surplus funds, Mr. Martin?

Mr. MARTIN. Beyond what we presently have?

Mr. PATMAN. Yes.

Mr. MARTIN. Well, we are not just building it indefinitely. We have a stop-out point, and the Treasury gets all of the balance.

Mr. PATMAN. Ninety percent, but why should they keep the 10 percent when they don't need it for any purpose at all?

Mr. MARTIN. Well, we thought it was a normal contingency. We don't know what will happen over the years.

Mr. PATMAN. You have three-quarters of a billion dollars now. Do you think that should be paid on the national debt or retained with these banks? If you are going to insist on 10 percent, we could take three-quarters of that billion dollars and pay it on the national debt, couldn't we?

Mr. MARTIN. I think it would be sounder to follow the ordinary business practice of setting up a reserve.

Mr. PATMAN. Although you can't name a single purpose that you would probably need the money for.

Mr. MARTIN. Not at the moment, no.

FEDERAL RESERVE SURPLUS OF BILLION DOLLARS SHOULD BE USED NOW TO REDUCE NATIONAL DEBT SINCE NOT NEEDED

The Federal Reserve does not need its so-called capital stock. It does not need any surplus. It operates on the credit of the Nation and has the power to create money and does create money. Mr. Martin, Chairman of the Board, has said the Federal Reserve does not need the capital stock.

When Chairman Martin was testifying July 15, 1957, with Governor Robertson,

also a member of the Board, at his side, Governor Robertson asked to be allowed to answer a question about the surplus fund of the Federal Reserve that I had propounded to Chairman Martin. So the answers are the answers of both Governors Martin and Robertson as follows:

I wonder, however, since you have about three-quarters of a billion dollars in the surplus fund of the Federal Reserve banks, why you want 10 percent more each year. What will you do with it? It doesn't serve any purpose. It is idle, unused. What do you want to put it aside for?

Governor ROBERTSON. May I answer that?

Mr. PATMAN. Certainly.

Governor ROBERTSON. There is no magic in any 90 percent or 10 percent or anything else.

Mr. PATMAN. Why do you want any percent? Why do you want any amount, as long as you have a certain amount in the surplus fund of a bank? Why are you not satisfied with that? Why do you want to keep piling up more money, which is unused and doesn't serve any purpose?

Governor ROBERTSON. The only thing we were trying to do here was to follow out the original concept of the statute. It did provide for a surplus. This contemplates building up the surplus, not because you needed it today but because you might need it some other time.

CANNOT IMAGINE A USE FOR IT

Mr. PATMAN. What would you need it for?

Governor ROBERTSON. I can't imagine. I hope there is never a situation to need it.

Mr. PATMAN. To keep you from coming back to Congress for an appropriation; that is the only thing.

Governor ROBERTSON. Oh, no; we would never have to come back for appropriations.

Mr. PATMAN. Well, you would if you ran out of funds.

Governor ROBERTSON. We are not going to.

Mr. PATMAN. You almost did at one time.

Governor ROBERTSON. Well, we will never have another such situation.

Mr. PATMAN. You have too much money piled up.

Governor ROBERTSON. Maybe that would be a good purpose to serve, so we wouldn't have to come back.

Mr. PATMAN. Maybe we should make it possible for you to pay a hundred percent into the Treasury, as long as there is a surplus equal to a specified amount in each Federal Reserve bank. Don't you think that would be reasonable?

Governor ROBERTSON. We suggested this in the alternative, as you know. We suggested we be authorized to turn over to the Treasury amounts, or put it in franchise tax, and that was the one selected. We don't care which way it is. We think the money must go to the Treasury.

SENATOR OWEN ADVISES FEDERAL RESERVE BUY U.S. SECURITIES AND CANCEL THEM

In 1938 when Senator Owen was testifying on H.R. 7230, he advocated putting more money into circulation for the convenience of the people, full employment and to get our country out of a depression. The following colloquy appears at page 207 of the hearing:

Mr. LUCE. How would the Federal Reserve banks exercise the power of creating money?

Mr. OWEN. By buying the bonds of the United States and canceling the bonds.

Is there any reason why a Government bond should not be canceled when it is paid?

FEDERAL OFFICIAL SAYS GOVERNMENT MONEY PAID FOR GOVERNMENT BONDS HELD BY FEDERAL RESERVE

July 15, 1957, Mr. Martin, Chairman of the Federal Reserve Board, testified

before the Banking and Currency Committee of the House on S. 1451 as follows:

Mr. PATMAN. Now then, Mr. Martin, isn't it a fact that these Federal Reserve notes that you issue and exchange for these bonds are obligations of the United States Government, just as are the bonds?

Mr. MARTIN. That is right.

Mr. PATMAN. In other words, each note says on its face: "The United States promises to pay to bearer on demand so many dollars."

That is just as much a Government obligation as a United States bond maturing 10 years from now, isn't it?

Mr. MARTIN. It is money.

Mr. PATMAN. It is an obligation of the Government.

July 15, 1957, Mr. Martin testified, as disclosed at page 55 of the hearings, as follows:

Mr. PATMAN. * * *

Now, these statements of the Federal Reserve Board, covering the 12 Federal Reserve banks, shows that 96 or 97 percent of all the earnings of all the Federal Reserve banks comes from interest on Government bonds.

Now, Mr. Martin, in acquiring those bonds for the 12 Federal Reserve banks, isn't it a fact that you don't use as backing for the money which you exchange for those bonds, for instance \$23 million worth for the Dallas bank, you didn't use the reserve of the member banks; did you?

Mr. MARTIN. That is correct.

Mr. PATMAN. You did not use the capital stock of the member banks; did you?

Mr. MARTIN. That is correct.

Mr. PATMAN. You did not use the reserves or the surplus funds of the member banks?

Mr. MARTIN. That is correct.

Mr. PATMAN. Isn't it a fact that the only thing you used was money that you created which, of course, you have a right to do under the law? You created \$23 million in Federal Reserve notes. Whether you actually transferred them physically or not, the result was that you created that much in Federal Reserve notes and traded them for United States Government bonds. That is correct; is it not?

Mr. MARTIN. That is one way of stating it.

HIGH-POWERED DOLLARS

When Mr. Martin, Chairman of the Federal Reserve Board, was testifying on S. 1451 before the Banking and Currency Committee of the House, page 391, the following occurred:

Mr. PATMAN. This is what you call high-powered dollars, isn't it?

Mr. MARTIN. Oh, no.

You are talking about Federal funds?

Mr. PATMAN. Federal funds. Aren't these high-powered dollars? Aren't these the reserves which they have in the Reserve banks, that they are lending to another bank?

Mr. MARTIN. Yes, sir, they go around in that way.

Mr. PATMAN. Well, that is high-powered money, isn't it?

Mr. MARTIN. Yes, sir, Federal funds in that sense.

COULD GET ALONG WITHOUT FEDERAL RESERVE STOCK TODAY

Mr. Martin testified, page 396 on S. 1451 in July 1957 about the stock owned by the member banks in the Federal Reserve banks as follows:

Mr. PATMAN. And it cannot be voted except according to the rules that you explained to him.

For what purpose is that money used, Mr. Martin? Can you name one purpose for which that money is needed, except as you said, that it creates a good relationship with the banks and makes them feel they are

part of the System. Outside of that, what purpose does that capital stock serve?

Mr. MARTIN. I don't think it has any purpose at the moment. I think originally it was part of the organization capital of the Federal Reserve banks.

Mr. PATMAN. To set up the Reserve banks?

Mr. MARTIN. Certainly.

Mr. PATMAN. But now it is not needed at all, is it?

Mr. MARTIN. I think we could get along without it today.

Mr. PATMAN. All right.

WHO FIXES INTEREST RATES

Mr. PATMAN. What do you expect the interest rate to be after the war?

Mr. ECCLES. I think the interest rate is largely a controlled factor; that is, the interest rate is pretty largely what the Federal Reserve and the Government make it. (Hearing before the Banking and Currency Committee of the House of Representatives, June 17, 19, 1942, on bill, H.R. 7158, p. 33.)

EAT THEIR CAKE AND KEEP IT

In a statement I made on the floor of the House August 23, 1935, the following appears:

The 12 Federal Reserve banks now own about \$3 billion of Government securities. These securities were purchased with the Government credit—a blanket mortgage that I have described. Ordinarily you would think that when a Government security is purchased by Government credit that the interest would cease to run against the Government on the obligation purchased, but in this case the Federal Reserve banks continue to collect interest on the obligations so purchased. The situation is analogous to that of one who owes a mortgage on his home for \$10,000, giving a neighbor \$10,000 to pay the mortgage holder, the neighbor paying the mortgage holder \$10,000 and having the mortgage transferred to him, the neighbor, who holds it and continues to charge the homeowner interest on the mortgage that he has liquidated. If the homeowner continues to pay interest on the mortgage that he has furnished the money to pay he is acting as foolish as the Government.

If Members of Congress could be persuaded to give these subjects exclusive consideration for 30 days' time, it would result in proposals and laws that would save the Government and the taxpayers at least \$3 billion a year interest on the national debt and the people generally much more on private and other public debts.

I am not against our banking system, including the Federal Reserve. My opposition to the way they are being managed now is due to the enormous, unjustified, unneeded subsidies and unearned interest they are receiving at the expense of the taxpayers and for forcing extortionate interest rates upon the Government and the people. The largest item in the Nation's budget, except for national defense, is for interest on our public debt which is over \$8 billion a year. It is 50 percent more than all amounts paid to all veterans of all wars for all purposes, including dependents. I believe that we should encourage a profitable banking system because only a profitable system can properly serve the people as they are entitled to be served. Our banking systems have served our country well both in time of peace and war. Many changes should be made in the public interest. We should not consider abolishing a good system because some of the operators are bad and greedy

any more than we should consider destroying a fine automobile because the driver operates the car in a reckless manner.

AN ACT TO REGULATE THE LABELING OF HAZARDOUS SUBSTANCES FOR NONMANUFACTURING PURPOSES

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a bill to regulate the labeling of hazardous substances for nonmanufacturing purposes.

I have long been interested in legislation for the labeling of hazardous substances. Consequently I have noted with interest the history of Federal legislation and the activities of Dr. Chevalier Jackson and the American Medical Association in spearheading the Caustic Poisons Act of 1927. Since that time, however, many new compounds for household, commercial, and industrial use have been introduced which are outside the scope of the foregoing measures. Presently, there is no broad law which requires the precautionary labeling of hazardous substances at the national level.

An attempt to correct this situation was undertaken by the Committee on Toxicology of the American Medical Association. A fair and reasonable model bill has been drafted by this group which reflects current knowledge of hazardous chemicals and the conditions under which they are employed. One of the fundamental problems in reducing poisoning is the lack of identification of hazardous ingredients and precautionary labeling on the wide variety of small packaged chemical items in general use and the influence of this lack of identification on their careless and improper handling and storage. The A.M.A.'s measure is intended to help reduce careless and ignorant handling and storage of hazardous chemicals in areas where control of exposure to these chemicals is not as efficient as in the manufacturing process. By requiring statements of harmful ingredients on labels, the bill will also aid physicians in the diagnosis and treatment of poisoning. Another intent of the bill is to apply the same labeling standards to chemicals for export to foreign countries as those for domestic consumption, thereby obviating the recurring complaint that less than standard products are sold to foreign purchasers. It is suggested that consideration be given to the use of warning symbols on labels to facilitate recognition of more dangerous products.

This measure has been under study for several years. During that time, a number of conferences were held with industry, government, public health, and consumer groups at which discussions on the bill were encouraged in an effort to obtain agreement. These discussions resulted in a measure which received the

favorable consideration of over 60 national organizations including organized labor as well as the cooperative review by the affected chemical trade associations.

I believe there is merit in a Federal law which encourages uniformity in labeling and which is sufficiently broad as to be applicable to those hazardous substances which are not now so regulated. Therefore, I submit the "Uniform Hazardous Substances Act" for your consideration and I am hopeful of its passage this session.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HOLLAND (at the request of Mr. McCORMACK), for the balance of the week, on account of illness.

Mr. THOMPSON of New Jersey (at the request of Mr. ALEXANDER), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 15 minutes, today and tomorrow, to revise and extend his remarks and include extraneous matter.

Mr. FLYNN (at the request of Mr. REUSS), for 30 minutes, on tomorrow.

Mr. REUSS, for 30 minutes, on tomorrow.

Mr. KOWALSKI, for 15 minutes, on Thursday, May 28, 1959.

Mrs. ROGERS of Massachusetts, for 5 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. McGOVERN in two instances and to include extraneous matter.

Mr. REES of Kansas.

Mrs. BOLTON in two instances.

Mr. McCORMACK and to include extraneous matter.

Mr. ROONEY, to revise and extend his remarks made in Committee and to include extraneous matter, charts, and tables.

(At the request of Mr. DEVINE, and to include extraneous matter, the following:)

Mr. CEDERBERG.

Mr. WALLHAUSER.

(At the request of Mr. McCORMACK, and to include extraneous matter, the following:)

Mr. MORRIS of New Mexico.

Mr. CELLER.

Mr. ALGER.

Mr. WOLF.

Mr. DORN of South Carolina.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on May 22, 1959,

present to the President, for his approval, a bill of the House of the following title:

H.R. 3681. An act to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y.

THE LATE HONORABLE JOHN FOSTER DULLES

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Res. 275) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the House has heard with profound sorrow the announcement of the death of the Honorable John Foster Dulles, a former Senator from the State of New York, and a former Secretary of State.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect this House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 5 o'clock and 54 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 26, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1014. A letter from the Acting Assistant Secretary of Defense (Supply and Logistics), transmitting reports on Army, Navy, and Air Force prime contract awards to small and other business firms, pursuant to Public Law 85-533; to the Committee on Banking and Currency.

1015. A letter from the Secretary of Commerce, transmitting the 47th Quarterly Report, covering the 1st quarter 1959, as required under the Export Control Act of 1949; to the Committee on Banking and Currency.

1016. A letter from the Comptroller General of the United States, transmitting a report on examination of the incentive target price for Department of the Air Force contract AF 33(600)-23393 with McDonnell Aircraft Corp., St. Louis, Mo., to the Committee on Government Operations.

1017. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Bureau of Customs, Treasury Department, through December 1958; to the Committee on Government Operations.

1018. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the law providing for exemptions from jury service in the District of Columbia"; to the Committee on the District of Columbia.

1019. A letter from the Attorney General, transmitting a three-point legislative program designed to supplement the efforts of the States to eradicate from the American scene the so-called organized criminal; to the Committee on Interstate and Foreign Commerce.

1020. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of

orders entered in cases where the authority contained in section 212(d) (3) of the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRESTON: Committee on Appropriations. H.R. 7349. A bill making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. 377). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 816. A bill to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians; with amendment (Rept. No. 378). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 5519. A bill to authorize the use of the revolving loan fund for Indians to assist Klamath Indians during the period for terminating Federal supervision; without amendment (Rept. No. 379). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 6234. A bill to add certain public domain lands in Nevada to the Summit Lake Indian Reservation; without amendment (Rept. No. 380). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 6914. A bill to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land; without amendment (Rept. No. 381). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Interior and Insular Affairs. H.R. 4483. A bill to amend the act of December 24, 1942 (56 Stat. 1086, 43 U.S.C., 36b), entitled "An act to authorize the Secretary of the Interior to acquire lands or interest in lands for the Geological Survey"; without amendment (Rept. No. 382). Referred to the Committee of the Whole House on the State of the Union.

Mr. THORNBERRY: Committee on Rules. House Resolution 274. Resolution providing for the consideration of H.R. 7086. A bill to extend the Renegotiation Act of 1951, and for other purposes; without amendment (Rept. No. 383). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H.R. 7246. A bill to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended; with amendment (Rept. No. 384). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PRESTON:

H.R. 7349. A bill making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

By Mr. ANDERSON of Montana:

H.R. 7350. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. BENNETT of Florida:

H.R. 7351. A bill to prohibit the shipment in interstate commerce of certain plastic bags, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CURTIS of Missouri:

H.R. 7352. A bill to regulate the labeling of hazardous substances for nonmanufacturing purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DIGGS:

H.R. 7353. A bill to promote the foreign policy of the United States and help to build essential world conditions of peace, by more effective use of U.S. agricultural commodities for the relief of human hunger, and for promoting economic and social development in less developed countries; to the Committee on Agriculture.

By Mr. HUDDLESTON:

H.R. 7354. A bill to remove time limitations imposed for applying for correction of military records, review of discharges and dismissals, and review of decisions of retiring boards and similar boards; to the Committee on Armed Services.

By Mr. MORRIS of New Mexico (by request):

H.R. 7355. A bill to amend the Internal Revenue Code to provide a percentage depletion allowance of 15 percent for "perlite"; to the Committee on Ways and Means.

By Mr. PELLY (by request):

H.R. 7356. A bill to amend section 6, paragraph (c), of the Civil Service Retirement Act of July 31, 1956 (Public Law 854, 84th Cong., 70 Stat. 743), providing for the retirement of employees the duties of whose positions are primarily the investigation, apprehension, or detention of persons suspected or convicted of offenses against the criminal laws of the United States; to the Committee on Post Office and Civil Service.

By Mr. WAINWRIGHT:

H.R. 7357. A bill to provide for Federal grants and contracts to carry out projects with respect to techniques and practices for the prevention, diminution, and control of juvenile delinquency; to the Committee on Education and Labor.

By Mr. YATES:

H.R. 7358. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from the communications and transportation taxes for amounts paid by churches, church organizations, and church-owned institutions; to the Committee on Ways and Means.

By Mr. BARING:

H.R. 7359. A bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada, acting for the State of Nevada; to the Committee on Interior and Insular Affairs.

By Mr. MOULDER:

H.R. 7360. A bill to extend certain benefits to persons who served in the Armed Forces of the United States in Mexico or on its borders during the period beginning May 9, 1916, and ending April 6, 1917, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SIMPSON of Pennsylvania:

H.R. 7361. A bill to amend the Internal Revenue Code of 1954 so as to provide for nonrecognition of gain or loss upon certain distributions of stock made pursuant to orders enforcing the antitrust laws; to the Committee on Ways and Means.

By Mr. ARENDS:

H.J. Res. 398. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium; to the Committee on Armed Services.

By Mr. CANNON:

H.J. Res. 399. Joint resolution to authorize the transfer by sale or exchange of white phosphorus by the Department of the Army; to the Committee on Armed Services.

By Mr. DIGGS:

H.J. Res. 400. Joint resolution to amend the pledge of allegiance to the flag of the United States of America; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alaska, memorializing the President and the Congress of the United States urging that proper legislation be passed by the 86th Congress allowing for appropriations to carry out immediately the school construction plans as outlined in the program request for elementary and high school construction of the Juneau area office of the Bureau of Indian Affairs for the year 1959; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Alaska, memorializing the President and the Congress of the United States to take the necessary action before June 30, 1959, to extend the life of the Alaska Public Works program for 3 years and request authorization of \$30 million and appropriation of \$10 million for the year 1960 to accomplish the projects which have been approved or upon which approval is now pending by the Department of the Interior; to the Committee on Public Works.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to cooperation between Federal and local agencies; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to restore to the American people the right to acquire, possess, and dispose of gold in any form, to prohibit the sale of monetary gold by the United States for industrial and artistic purposes, and to regulate the price of gold in the settlement of foreign trade balances; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to amend the Internal Revenue Code to allow the oil shale industry the same depletion allowance as that accorded the oil and gas industry; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States relative to House Joint Resolution No. 41, adopted by the 71st general assembly, requesting a careful appraisal of the railroads' problems; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to amend Public Law 85-422, or any similar legislation, to include presently retired members of the Armed Forces within the provisions increasing the basic pay of members of the Armed Forces, etc.; to the Committee on Armed Services.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States relative to transmitting a certified copy of House Resolution No. 114, which was adopted by the 30th Legislature of the Territory of Hawaii; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the Virgin Islands, memorializing the President

and the Congress of the United States to appropriate funds for the improvement of the harbors at Charlotte Amalie, St. Thomas, and Christiansted, St. Croix, V.I., of the United States; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Montana:

H.R. 7362. A bill for the relief of the Crum-McKinnon Building Co., of Billings, Mont.; to the Committee on Government Operations.

By Mr. BERRY:

H.R. 7363. A bill for the relief of Chester A. Spindler; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 7364. A bill for the relief of Dionisia Loumakis; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 7365. A bill for the relief of Mrs. Nell C. Player; to the Committee on the Judiciary.

By Mr. MONAGAN:

H.R. 7366. A bill for the relief of Benjamin Esteves Miranda; to the Committee on the Judiciary.

By Mr. PIRNIE:

H.R. 7367. A bill for the relief of Chieko Sakano; to the Committee on the Judiciary.

By Mr. WALTER:

H. Con. Res. 186. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

195. By Mr. CARNAHAN: Petition of the Missouri Department, Veterans of World War I, United States of America, Inc., at its regular annual convention, held in El Dorado Springs, Mo., May 16 and 17, 1959, requesting the President and the Congress of the United States of America to promptly pass H.R. 1181,

pension bill; to the Committee on Veterans' Affairs.

196. By Mr. REUSS: Petition of the Wisconsin Public Welfare Association in favor of uniform residence requirements, by all of the States in the Union, for any of the aids under the social security program; to the Committee on Ways and Means.

197. By the SPEAKER: Petition of Ronald A. Coco, president, Kiwanis Club of Baton Rouge, Inc., Baton Rouge, La., requesting that yearly expenditures are limited to yearly income; prevent any further increases in the Federal debt, and not to adopt any new Federal taxes, etc.; to the Committee on Ways and Means.

198. Also, petition of Jose M. Torres, president, Veterans Fraternity "Nobleza de Alma," Fajardo, P.R., relative to expressing endorsement of the bill H.R. 5926; to the Committee on Interior and Insular Affairs.

199. Also, petition of Aracelio Martinez, commander, American Legion Post No. 1, San Juan, P.R., relative to being opposed to the bill H.R. 5926; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

White House Conference on the World Refugee Year

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks, I include an address made by my able and distinguished colleague from Pennsylvania [Mr. WALTER] on May 21, 1959, at the White House Conference on the World Refugee Year:

WHITE HOUSE CONFERENCE ON THE WORLD REFUGEE YEAR

Ladies and gentlemen, you will forgive me, I hope, for dispensing with niceties and generalities which the occasion and the setting of this meeting may call for. Instead, I shall take the liberty of submitting to you frankly a few thoughts and a few facts.

My legislative experience in the field of immigration, displaced persons and refugees extends now over a period of some 14 years beginning immediately after World War II. This experience, as well as my modest participation in some international activities related to that field, has taught me that there are several ways of approaching the refugee problem.

First, there is the emotional approach. It usually generates more compassion than action.

Next, there is the oratorical approach producing, by definition, words rather than deeds.

Then, there is the combination of the two approaches, resulting in the game of numbers and developing into a sort of auction reflected in some recently introduced legislation. Yes, amateurish surveys coupled with the desire to attract public attention, have resulted in the appearance of legislative proposals replete with unrealistic numbers of refugees allegedly desiring to enter this country, numbers bearing little, if any, relation to facts and figures assembled by the United Nations High Commissioner for Refugees and the Intergovernmental Committee for European Migration. In my opinion, it

is the emotional approach to the refugee problem, combined with oratorical efforts, which is responsible for the appearance of those unrealistic figures. Having presided over two recent international meetings devoted to the discussion of the refugee problem, I found myself on the receiving end—so to speak—of overzealousness and it is, probably, that experience which makes me a cold realist.

As I look around this hall, I see many people with whom I have cooperated both in this country and abroad in finding ways and means to alleviate the plight of refugees. Thus, addressing this particular gathering, I feel that I may be permitted to urge you not to use either the emotional nor the oratorical concept in your deliberations, as well as to avoid the pitfalls and the futility of the numbers' auction. I know that most of you assembled in this room are able, qualified, and equipped with sufficient experience to approach the problem realistically.

What I have in mind in the first place, is to invite you not to think and plan in terms of what some like to call a definite and a final solution of the refugee problem.

No such solution is possible as long as we live in a world divided between the free and the enslaved.

No such solution is possible as long as freedom and economic opportunities beckon from the free lands to human beings oppressed by tyrannical regimes regardless of the name under which they function.

No "crash programs," no "speed-ups," no "mop-up operations" will wipe out the refugee problem as long as conditions generating that problem continue to exist.

I do not say these things for home consumption only. A few weeks ago, when I had the honor of presiding over a special session of the Council of the Intergovernmental Committee for European Migration in Geneva, I indicated to the representatives of the many nations gathered around the table that the World Refugee Year should should not be misconstrued to be a "mop-up" operation.

In my opinion, no such "one shot" operation is conceivable. Realistic thinking and realistic planning require the awareness that, as long as there is tyranny, misery, slavery and oppression, there will always be human beings who will decide to pull out their stakes and leave their homelands, seeking freedom and economic opportunities abroad.

Sometimes the influx of refugees into the free world is but a trickle. Sometimes it is

a mass exodus like the one we witnessed during and after the Hungarian revolution of 1956. But certainly, not even an armistice in the cold war, an armistice based on the fallacy of coexistence of the incompatible—a fallacy of coexistence of slavery and freedom—not even such an armistice will stop the drive of people out from the lands where Orwell's nightmare has become a reality.

With that in mind, I have endeavored to equip the United States with a long-range legal instrumentality which—if wisely used—could contribute to the resettlement of refugees and become an important factor in the widening of international cooperation and partnership of the free nations.

Earlier this morning I introduced in the House of Representatives a resolution, the enactment of which will, in my opinion, give the United States such an instrumentality.

My resolution is based on the experience gained in 1956 and in 1957, when, under one of the provisions of the Walter-McCarran Act, the United States was able to lead the other free nations in providing a safe haven and resettlement for the Hungarian refugees.

In line with this experience, my resolution amplifies the authority vested in the Attorney General of the United States under section 212(d)(5) of the Immigration and Nationality Act to parole into the United States certain aliens, if he deems such action to be in the public interest.

It could be—as it seems to me—that the existing statute is sufficient to permit continuous U.S. participation in providing resettlement for refugees in this country. However, inasmuch as the parole authority now contained in the law is discretionary in nature, and the Attorney General of the United States may not feel that the Congress desired him to use that authority in the absence of reasons which could be deemed to be emergent, the resolution which I introduced this morning states specifically the intent of the Congress by reiterating the discretionary authority already available, and amplifying it through the use of defined criteria of eligibility of refugees for parole entry.

The criteria are patterned upon a well-tested definition of the refugee-escapee contained now in section 15 of the Act of September 15, 1957, known as Public Law 85-316.

My resolution does not contain any numerical ceilings, nor does it prescribe any termination dates. Its purpose is to give the Attorney General of the United States, acting upon the recommendation of the

Secretary of State, a long-range legal weapon with which to operate in coordination with the United Nations High Commissioner for Refugees and the U.S. escapee program under continuous supervision of the Congress.

I am aware of the fact that under my resolution the Congress is actually called upon to express its full confidence that the Attorney General of the United States will use the power vested in him with foresight and care, with the best interests of the United States remaining the governing factor of his decisions. I am hopeful that the resolution, if enacted, will permit the United States to induce our allies and friends to share with us the responsibility for the resettlement of refugees and to recognize that task to be a joint and not a one-sided undertaking.

The Congress will maintain continuous close scrutiny of the parole operation conducted under the terms of my resolution by reviewing reports which the Attorney General of the United States will be directed to submit to the Senate and the House of Representatives. Should the Congress, at any time, decide that the parole operations affecting refugees should be terminated, a simple resolution passed by either the Senate or the House of Representatives will have the statutory effect of terminating the Attorney General's special authority.

Further, and again in line with our experience with Hungarian refugees, my resolution provides for the granting of permanent resident status to refugees admitted under parole after they have been in the United States for at least 2 years. After the adjustment of their status, they will be granted the benefit of the original date of entry for naturalization purposes.

I believe that in drafting my resolution I have succeeded in steering clear of the numbers game, as well as of crash programs originating from the feeling that a deadline must be met.

I believe that I have also given the Department of State the opportunity to negotiate with other governments a correlated and parallel international effort to secure a fair and equitable distribution of the refugees among more nations than those who have so far made the most sizable contribution in this field.

I would feel that I am being remiss in my duty if I would conclude my remarks at this point without leaving one additional thought with you.

Since the end of World War II, the United States has admitted 3 million immigrants. Since Hitler's advent to power this country has admitted 3.5 million immigrants. At least 1.5 million of these immigrants could be classified as "refugee-escapees" as we now define this term in our laws.

What happened to this mass of humanity? We know, of course, that the majority of immigrants who entered our country in the last two decades, are of a character very much different from the type of immigrants who arrived at our shores around the turn of the century. What is the nature and the extent of the new immigrants' contribution to our economy, to our scientific achievements, to our arts and literature, to our politics, and to our rate of crime? What is the immigrants' contribution to the increase of the population of our prisons? What is the immigrants' contribution to our Armed Forces, our universities, our insane asylums, our orphanages? There is no answer to these questions.

In leafing over old congressional documents, I found that no study of the immigrant in the United States, no study worthy of this name, that is, has been made in the last 50 years. A Commission appointed in 1907 produced reports the size of a good library. That was in 1911 and nothing was done in that field since, except politically

inspired reports, unworthy of that name, and propaganda booklets produced and peddled by people with strong self-serving motives of one kind or another.

The 1911 report had a most profound influence on our immigration policy and our immigration legislation. After half a century had passed, it is certainly time to assemble a group of impartial specialists in the various fields of human endeavor for the purpose of giving this country the benefit of a study answering some of the questions which many Americans are asking before they decide whether our long-range immigration policy should be changed.

There are 100 million more people in this country than there were when the Commission of 1907 was constituted. More than 50 million children have been born in the United States since World War II. By 1970 there will be 210 million Americans, 20 million of whom will be people over 65 years of age.

What is the capacity of the United States to absorb people? Whom and how many immigrants should we admit? Who should they be? What should be the basis for their selection?

I know full well that I could pyramid questions of this sort without anywhere finding the answers.

It seems to me that the initiative for scientific study of immigration's impact upon all facets of life in the United States should most appropriately emanate from you, ladies and gentlemen. In my opinion, it should not be a study undertaken by a governmental agency and it should not be a congressional venture. This is a field where citizens' initiative should take over so that institutions of learning, qualified foundations, and individual experts could work together.

In launching such a study this meeting will leave a lasting, most valuable imprint on the history books of this Nation.

International Educational Exchange Programs With Africa

EXTENSION OF REMARKS OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mrs. BOLTON. Mr. Speaker, upon returning from my 3-month special study mission to Africa in the fall of 1955, I noted in my report to the Congress that one of our greatest needs, both in Government and out, was information about Africa. Accordingly, one of my recommendations was that educational exchange programs should be stepped up with the facilities of higher educational institutions in this country made available in much larger measure to students from all over Africa. The purpose of this recommendation was twofold—to expand our knowledge of that long-neglected continent and to promote mutual understanding and friendship between our peoples.

It is, therefore, particularly heartening to me that the proposed exchange program with Africa for fiscal year 1960 represents a substantial increase over that of previous years. Since the inception of the international educational exchange program in 1949, 111 Ameri-

cans and 271 persons from 17 African countries had been exchanged through the 1957 to 1958 academic year. In the coming year alone, however, a total of 230 exchanges are proposed. This accelerated program is in keeping with the rapid emergence of much of Africa into freedom and responsibility.

The beneficial results of these exchange activities are numerous, with advantages accruing to both the United States and Africa. For us, the program has resulted in an increasing number of American specialists on Africa, an increase in knowledge on Africa available to the American people, and an increase in interest and study in the United States on Africa.

One has only to review the teaching staffs of area training programs in colleges and universities in the United States and the membership of steering committees for important programs and agencies to realize the great importance of study and research provided by the U.S. Government and private agencies in developing a corps of American specialists on Africa. Competence has been acquired in some of the many African languages, and valuable research conducted among certain African tribes.

Publications resulting from such specialized study and research are increasingly making knowledge about various African countries available to the American people. During the last few years a growing number of magazine articles and even entire issues have been devoted to Africa.

The number of area training programs and courses on Africa in colleges and universities has been greatly expanded. Currently, some 31 institutions of higher education offer area training, research, or course work on Africa at the undergraduate or graduate level.

Discussion groups and seminars on Africa have been sponsored by various groups. An African Studies Association with a membership including 183 scholars and specialists has been established to stimulate research on Africa. Our own Library of Congress is planning to set up an African studies unit, which will compile a monthly list of publications on Africa acquired by American libraries.

For Africa, the international educational exchange program has been profoundly important. It has demonstrated a genuine interest by Americans in their future, and thus contributed enormously to the existing good will between our peoples. Moreover, it has meant needed assistance in health, education, and economic development, together with the training of Africans to assume leadership.

Africa's urgent need for trained teachers is an important consideration in the exchange program. Under the program from 1949 through the 1957 to 1958 academic year, 25 American teachers and 18 from African countries had been exchanged. These activities were supplemented by programs independently carried on by the African-American Institute, the International Cooperation Administration, and by private agencies. In the coming fiscal year an additional

20 teachers are proposed to be exchanged under the program.

Perhaps the greatest value derived from this program is the very real contribution to the development of African leadership. Many of those who come to the United States for study will return to their own countries to enter key positions in government and other areas of national importance.

Certainly these exchange programs have contributed to mutual understanding between the United States and Africa beyond any precise calculation. Close and lasting bonds of confidence and good will have developed between hundreds of Americans and persons from Africa, between anthropologists, athletes, educators, library and museum directors, political leaders, and leaders of women's affairs and organizations. In these programs we have demonstrated to the African people that Americans desire to learn about them, their history, their culture, and their languages. In turn, they have given opportunity to learn about American democracy and institutions at firsthand.

The following chart indicates the proposed exchange program for African countries south of the Sahara during fiscal year 1960:

Country	Grants to Americans	Grants to foreign nationals	Total
Angola		1	1
Belgian Congo	1	2	3
Cameroun		6	6
Central African Federation	2	11	13
Ethiopia		7	7
French Equatorial Africa		4	4
French West Africa	6	6	12
Ghana	3	18	21
Guinea		3	3
Kenya		10	10
Liberia	1	3	4
Madagascar		2	2
Mozambique		1	1
Nigeria	1	24	25
Sierra Leone		3	3
Union of South Africa	4	16	20
Tanganyika		3	3
French Togoland		3	3
Uganda		5	5
Zanzibar		3	3
African United Kingdom program	24	22	46
African Trust Territory program		2	2
African students in Europe and U.A.R.		18	18
Regional	15		15
Total	57	173	230

Public Opinion and the Farm Program

EXTENSION OF REMARKS

OF

HON. GEORGE S. McGOVERN

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. McGOVERN. Mr. Speaker, there has been a recent upsurge in anti-farm-price-support publicity from those who have a history of such opposition.

For example, in April the farm Journal published the results of a poll among its readers. This poll purported to show that farmers generally are opposed to price supports.

The Secretary of Agriculture and Newsweek, to name two, have cited this

poll as evidence that a large percentage of farmers want lower price supports or none at all. Every Congressman has been made aware of this poll.

Life magazine in its April 16 issue ran a lengthy article appealing to its readers to notify their Congressmen to put an end to farm subsidies, as a means of obtaining a tax cut.

The May 1959 issue of the Reader's Digest contains a diatribe against farm programs.

We all have been exposed to periodic and sustained publicity to the effect that taxpayers are unhappy about farm subsidies. It is important to note, however, that such publicity has always emanated from sources most antagonistic to Government-sponsored farm programs.

I should like to insert in the RECORD the results of a poll conducted under the supervision of Dr. George Gallup, director of the American Institute of Public Opinion at Princeton. These results were widely syndicated and appeared in the May 1 issue of the Washington Post and Times Herald.

One of the questions asked of a cross-section of voters was: "Do you think there is anything for which the Government should be spending less money than it is at present?"

Only 4 percent of the voters answered that farm subsidies were an item for which the Government should spend less money.

Stated another way, 96 percent of the voters do not disapprove of the farm program, but support it and recognize its value to the population as a whole.

There are some significant features about Dr. Gallup's poll as compared to the one conducted by the Farm Journal.

First, Dr. Gallup is a qualified expert in the field of measuring current public opinion, but the Farm Journal is not.

Second, The American Institute of Public Opinion at Princeton is principally engaged in measuring public opinion, while the Farm Journal attempts to mold it. For the past several years the Farm Journal has been chief salesman of the Benson program.

Third, The techniques and methods used by Dr. Gallup are scientifically valid, whereas those of the Farm Journal are questionable at best.

It would be more representative of high-caliber leadership if our public officials, particularly those of Cabinet rank, would exercise caution in publicly citing the results of polls and surveys which do not reflect sufficient expertise in the field of measuring public opinion, or which are obviously biased.

the highest point in 1958 in approximately 30 years. So far this year, imports from two of the largest foreign suppliers, Turkey and Greece, are up 20 percent and 28 percent, respectively. From all indications, tobacco imports this year will be the highest in the history of our country.

I warned the House time and time and time again during consideration of extension of so-called reciprocal trade this very thing would happen. Of course, as night follows the day, the American tobacco farmer will be forced to plant less and less and it will cost the American taxpayer more and more in price supports.

Mr. Speaker, the following is taken from a statement I placed in the RECORD last year when extension of the reciprocal trade bill was being considered:

Eric Johnston's committee is out over the country trying to drum up support for his completely bogus foreign-trade program. The American farmer is a particular target for false slogans, innuendoes, and fear psychology. They do not dare tell the American people that foreign exports are falling off except where we are paying the other country to buy our goods. They do not dare tell the American people about the hundreds of thousands of jobs that could be added to those presently engaged in foreign commerce through a truly mutually advantageous reciprocal trade program.

A desperate attempt is being made by Eric Johnston, Charlie Taft, and company to mislead, bamboozle, and hornswoggle the American tobacco farmer. This present attempt smacks of sheer chicanery and fraud in that in a few years they will do the same thing to the tobacco farmer and the tobacco industry that they have already done to the cotton farmer and the textile industry.

While trying to fool and temporarily brainwash the tobacco farmer, the ICA, under the table and behind the tobacco farmer's back in the secret recesses of distant lands, are teaching the people the art of American agriculture with the American taxpayer's dollars. I might remind the American tobacco farmers that this same Mr. Taft is listed as an official in the International Cooperation Administration. Their policy is to play one industry against the other, to play one segment of agriculture against the other until their nefarious scheme of growing our crops takes roots all over the world in foreign lands.

We are exporting less tobacco under Johnston and Taft's policy of "trade for the benefit of foreign countries" than we did in the year 1920.

I might remind our tobacco farmers that the millions of employees of the coal, oil, lead, zinc, plywood, and textile industries could purchase millions of pounds of tobacco and smoke the cigarettes if they could be placed on full time with time and a half for overtime which they formerly enjoyed before Johnston, Taft, and company started all their one-world treatment.

Tobacco Imports Mushroom

EXTENSION OF REMARKS

OF

HON. W. J. BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. DORN of South Carolina. Mr. Speaker, imported tobacco leaf reached

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the REC-

ORD, I include the following newsletter of May 23, 1959, and statement on the farm program:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

MAY 23, 1959.

A bill, H.R. 7007, to authorize appropriations to the National Aeronautics and Space Administration (NASA) for salaries and expenses, research and development, construction and equipment, and for other purposes, came before the House for the first time by the new Committee on Science and Astronautics. Controversy immediately developed by precedent, procedure, and economy-minded Members, because of the suspension of rules procedure which permits only 20 minutes' debate on each side, pro and con. For these reasons: (1) A new committee's first authorization bill; (2) no printed hearings; (3) \$580 million involved; (4) space, a new, complicated and interesting subject matter; (5) section 4 placing space appropriation separate from the independent offices of Government—the opposition developed (including myself). It passed 294 to 128. There are many unanswered questions the committee could have answered if regular debate had been permitted.

The agriculture appropriation bill of \$3,939 million brought on the usual heated debate. Activities (some necessary) are—research, disease and pest control, meat inspection, soil conservation, marketing services, school lunch, soil bank, commodity stabilization, REA, crop support loans (loans farmers need not repay)—and special activities, including international wheat agreement, emergency famine relief, Public Law 480 (\$968 million) and bartered material for stockpile. The usual recriminatory charges were hurled respectively by those blaming the farm situation on not enough or too much Federal aid and control. The principal amendment demanded by Republicans placed a top limit of \$50,000 on crop loans. Some support loans run into five and six figure amounts, even over a million. Actually, most beneficiaries of the program will not be affected. In 1958 on all crops there were more than 700,000 loans, but only 1,229 in excess of \$25,000. The amendment passed 262 to 165 (ALGER for) despite heavy Democrat and House leadership opposition. Someone should ask who is for the small farmer?

To me, the American legislative something-for-nothing tragedy is embodied in this bankrupt farm program, which no amendments, no matter how brilliant can change. The farm subsidy program should be repealed. Although the economic dislocation of such sudden termination has prompted the administration's endeavor to gradually eliminate these supports, despite political opposition, we need to get back to first principles (see attached farm program views).

The housing bill, S. 57, brought on the year's biggest and most controversial debate. The Rules Committee's 6-6 tie blocking the costly Democrat housing bill from House consideration was broken when the leadership agreed that a much less costly Democrat substitute bill could be presented by HERLONG, of Florida. This bypassed even considering the administration bill. All three, the Democrat leadership bill (\$5,800 million) the Herlong substitute (\$1,300 million), and the administration bill (\$1,600 million), agreed on extending the FHA loan insurance authority by \$10 billion. The Democrat leadership bill included also: (1) 140,000 new public housing units; (2) \$400 million for college housing loans; (3) \$100 million for elderly housing loans; (4) \$1,500 million for urban renewal for 3 years; (5) raise FHA mortgage amounts and duration

and lower downpayment; (6) continue and expand Federal national mortgage insurance secondary (FNMA) loan market. The substitute bill differed in three ways: (1) striking out public housing; (2) cutting down urban renewal to \$600 million for 2 years; (3) placing the spending under the Appropriation Committee's control, instead of direct Treasury payout. One hundred twenty-nine Republicans and sixty Democrats joined to support the substitute, but were beaten 233 (including 19 Republicans) to 189. Then the Democrats successfully beat Republican efforts to reduce the amounts and to eliminate public housing. Joint efforts resulted in keeping the spending under Appropriations Committee control 220 to 201. Other amendments approved included one to permit hotels to be part of urban renewal.

Amendments defeated included: (1) To cut out public housing (a coalition of Republicans and some beaten Democrats); (2) to make public housing bonds taxable; (3) no discrimination in public housing because of race, color or creed. My efforts were directed to (1) replacing the costly bill by the substitute; (2) eliminating public housing; (3) cutting down urban renewal amount and challenging eminent domain's constitutionality; (4) challenging the validity of the premises justifying Federal subsidies; (5) eliminating tax-exempt status of public housing bonds.

The bill passed 261 to 160 (ALGER against) and now faces a veto. If vetoed, the big spenders will have killed a housing bill for the second time.

THE FARM PROGRAM

(Statement by Hon. BRUCE ALGER, of Texas)

The farm problem is your problem. Think not? Consider for a moment:

Do you pay taxes? If you're the head of that average family we keep hearing about, you shelled out over \$75 in taxes last year just to support farm prices or to funnel money directly to farmers.

Do you eat? One of the things your own tax money bought you was the privilege of paying higher prices for your family's groceries than you should have.

Are farmers your customers? No matter how you make your living, all business suffers when the sizable farming segment of our population faces lost markets and lower income. Indeed, the farm problem is everybody's problem.

Before dreaming up any answers, let's consider some fundamental questions—like what is a farm? About 2 million farms (and that's only 44 percent of them) account for about 90 percent of all U.S. farm products sold. These farmers get most of the Government aid too, but how much they've been aided by it is open to question. On the other hand, 2.7 million farmers (56 percent of the total number) raise less than 10 percent of our farm produce. Price supports have meant less than \$100 extra per farm to them, and these are the fellows who are up against it. They need new income—not Government handouts.

Why the huge surpluses? Because of World War II. Facing record needs for food and fiber, Congress guaranteed farmers high price supports as a production incentive, and in this hour of need farmers came through with the greatest output per man in history. This was good for them and good for the country. But after the war, Congress continued these price support incentives, for reasons too obvious to dwell upon, and farmers continued to produce at record levels. Who wouldn't?

With crops far greater than could be marketed at these prices, Government-owned surpluses mounted. Tighter acreage controls were more than offset by technological advances in farming, and surpluses con-

tinued to pour in. 1958 saw huge overproduction again despite lowest acreage allotments in 40 years and reduced price supports. Since 1953, Mr. Benson has striven mightily to move these price-depressing Government-owned stocks—he has disposed of over \$16 billion worth—but he might as well be trying to empty White Rock Lake with a bucket during a steady rain. Today, the Government has about \$9 billion invested in surplus farm products—far more than we had in 1953. It's costing the taxpayer about \$3 million a day in just storage and interest charges.

Where are we now? Today the efficient American farmer is like the fellow who said he could handle his enemies but who prayed for deliverance from his friends. After 25 years of politically motivated aid programs, here's what we've got:

1. Farm income down \$2 billion. These huge surpluses, created by the very laws aimed at propping up farm income, hang over the market and have actually depressed farm income.

2. We have spent \$18 billion tax dollars to support prices and no end in sight. Terrific cost of farm program is building resentment against farmers, and it's not their fault.

3. Automatic surpluses inevitable under present law. We spend billions to sell and give away surpluses, but, by law, price supports must be maintained at levels too high to move the crop, encouraging surplus production again.

4. Government controls shackle farm progress—abolish efficiency. 40 percent of cotton acreage allotments amount to less than 5 acres—three-fourths of burley tobacco growers each permitted 1 acre or less. Efficient farming on this basis impossible. A ceiling (and a low one) is thus set on farmer's opportunity to progress.

Cure-alls by the bushel: Another surplus we have created is in programs and schemes to save the farmer. Each day's mail here brings its quota of plans. Some call for more and higher price supports, some for a two-price plan (high at home—cheap abroad) and some for direct handouts to farmers. All that I have seen, it seems, would create as many problems as they might solve, and contain the seeds of self-defeat.

Some simple facts: (1) All political attempts to solve this essentially economic problem have failed; (2) the small farmer, who really needs help has benefited but little from price support programs; (3) Government's legitimate role should be to help farmers help themselves through research, educational, and marketing programs; (4) nothing has ever worked so well as freedom.

Does freedom work on the farm? With price supports and controls, U.S. cotton acreage today is about one-third of what we planted in 1930 while world acreage is up. We have lost our markets at home and abroad to foreign competition and synthetics. Meanwhile, back at the ranch unsupported and uncontrolled beef producers are thriving and beef consumption (56 pounds per person in 1951) had soared to over 85 pounds per person by 1956. The only commonsense farm program is one based on freedom for the farmer—freedom from quotas, freedom from controls, yes and freedom from stultifying high price supports.

The administration and Secretary Benson have tried manfully to free the farmer from Government controls, to return to him free choice in managing his own farm and to return his produce to a free marketplace. At best, the transition would take time, for the present situation isn't the farmers' fault, and sudden economic dislocation wouldn't benefit anybody. However, Benson keeps plugging away at getting started in this direction, bitterly opposed at every step.

The issue will eventually be resolved by you, the voters. As I said, the farm problem is your problem too.

U.S. Technical Cooperation Activities in Public Administration

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mrs. BOLTON. Mr. Speaker, one of the major needs of the newly independent countries lies in the area of improved public administration. The serious lack of managerial skills and government experience in these countries is a critical barrier to economic development, and a potential threat to political stability. Until inefficiencies are reduced or eliminated much will continue to be wasted in terms of manpower and other resources.

Quite often the organization of government agencies is outmoded and cumbersome, with considerable overlapping between agencies charged with related functions. In most underdeveloped countries the governmental employees are poorly paid and inadequately trained in their duties. This condition encourages personal irresponsibility, and occasionally leads to graft and unscrupulous conduct.

Modern concepts of good budgeting have been adopted by only a few of these countries, and governmental administration is uniformly overcentralized. Inadequate facilities exist for training people in the principles and techniques of good management, with the few technological institutes occupying a position similar to our vocational schools. As those persons desiring to be trained in the technical and scientific fields must generally go abroad to study, comparatively few have received proper training in management.

In our technical cooperation program we have recognized these inadequacies and have carried on an extensive program in the area of public administration, always at the invitation of the host country. At the present stage of the program, most of the projects are centered upon problems at the National Government level. It is anticipated, however, that appreciation and concern for problems of local governments will increase, and the technical assistance emphasis may correspondingly shift from national to local levels.

One of the most effective techniques for improving public administration abroad has been found to be the participant program. In this program carefully selected officials and technicians are brought to the United States for observation and study of public administration methods. During calendar year 1958 nearly 900 participants, ranging from the highest officials to young persons of ability and promise, came to this country under the program. Some 300 more were sent to other countries for training, many to the Institute of Public Administration at the University of the Philippines, and the American University in Beirut. Many of these persons are expected to assume key positions in their

respective governments upon returning home, where their decisions can determine the future course of efforts to improve public administration.

Contracts have been made with some 15 outstanding American universities to assist in some 20 projects in public administration. Most of these are for professional advice and staffing of about 15 business and public administration institutes abroad, established with the help of American universities under ICA-financed contracts.

A partial listing of accomplishments in the public administration program may serve to illustrate the type of projects carried on under the program.

In the Philippines an ICA financed contractor concluded a government reorganization project which produced some 41 reorganization plans, and well-trained Filipino staff in a newly established management service division of the budget commission to put the plans into operation. The commission, assisted by another ICA contractor, completed the installation of performance budgeting for the entire government.

Through a contract with the University of Michigan, an Institute of Public Administration has been firmly established. Instrumental in founding the Eastern Regional Organization for Public Administration, the institute is conducting third country training for many government employees from neighboring countries.

In Pakistan an executive development scheme for members of the superior civil service will bring 2 groups of from 15 to 20 of these top Pakistani officials to the United States for management seminars and workshops at the University of Southern California and on-the-job associations with local, State, and Federal officials each year for 3 years. This training of the top layer of civil servants will prepare the ground for further efforts by the United States to introduce modern management concepts in Pakistan.

The Eastern Regional Organization for Public Administration formed by 10 Asian countries in Manila last summer, is clear evidence of greater understanding of the values and role of modern public administration among countries of the Far East. EROPA will have its secretariat in Manila—supported by a small ICA grant from Far East regional funds—a research, documentation and dissemination center at Saigon—assisted by Michigan State University contract personnel—and a training center at New Delhi.

The Wharton School of the University of Pennsylvania is helping the University of Karachi create an institute of business and public administration. The institute now has a student body of approximately 650 students, including evening school and special students, and has generated great interest in the business community.

The Iranian Government, with the help of ICA advisers, has completed a plan for classification and standard compensation of all governmental employees, and legislation was drafted for the creation of a central personnel agency. More recently, the Govern-

ment has released a considerable number of excess superannuated employees.

An Iranian Municipal Association has been formed to assist in development of improved municipal administration—one of a number of steps to strengthen government at the grassroots.

Toward the close of calendar year 1958, with the collaboration of ICA advisers, the Iranian Government began a program of decentralization, including the delegation of increased authority and responsibility to provincial and district authorities. The plan is being fully supported by the Iranian Ministry of the Interior. While it is too early to evaluate results, it is significant that the decentralization of what has been a highly centralized government is now seriously being pressed.

Mr. Speaker, these selected programs suffice to demonstrate the valuable work carried on by our technical cooperation program in the field of public administration. While the immediate results of this program may not be so readily apparent as in certain other programs, the long-range benefits will be highly significant.

New York Democratic Delegation Urges Nuclear Powered Carrier To Be Built at Brooklyn Navy Yard

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement from the New York Democratic delegation in the House of Representatives:

The New York State Democratic delegation expressed keen desire to have built at the Brooklyn Navy Yard a nuclear super aircraft carrier. The Brooklyn Navy Yard has the expertise, skilled labor, and facilities to build this nuclear-powered supercarrier.

Carriers have proven their worth many times since World War II. Whenever the United States and its allies were faced with threats to their mutual security on foreign soil, our aircraft carriers were alerted and prepared to cope with the crisis. They were used successfully in local conflicts in Quemoy, and Matsu, Korea, Lebanon, Jordan, etc. The old conventional type of aircraft carriers have become obsolete because of their shorter runways. Longer runways are required to accommodate the latest jet aircraft.

Billions of dollars are being poured into outer space research and development. Aircraft carriers should be a matter of deep concern for our defense and offense. They are a lot closer to us and of more immediate need. A supercarrier would be used as a missile launcher. It would have a decided advantage over missile bases, which are stationary. The aircraft carrier would be a mobile base and could easily elude the enemy's lethal weapons. Its own array of jets would be a protective curtain.

It is estimated that a nuclear carrier will cost between \$370 and \$390 million, but its cost could be amortized over the years.

There would be a great saving of fuel space and fuel costs.

As Vice Adm. John T. Hayward stated in a recent telecast, not only are jet bombers here to stay, but in time they will be equipped with the latest missiles. Our mobile aircraft fleet will be needed to bring them within range of the vital targets within the enemy's home borders.

We believe that we must not only plan ahead but must make firm all facets of our lines of defense. Aircraft carriers today are in the forefront of that main line of defense. A delay of a year or two means a delay of 5 or 6 years in obtaining a carrier prepared to defend us.

VICTOR L. ANFUSO, CHARLES A. BUCKLEY, EMANUEL CELLER, JAMES J. DELANEY, ISIDORE DOLLINGER, THADDEUS J. DULSKI, LEONARD FARESTEIN, JAMES C. HEALEY, LESTER HOLTZMAN, EDNA F. KELLEY, EUGENE J. KEOGH, ABRAHAM J. MULTER, LEO W. O'BRIEN, ADAM C. POWELL, JOHN J. ROONEY, ALFRED E. SANTANGELO, SAMUEL S. STRATTON, LUDWIG TELLER, and HERBERT ZELENKO.

Distinguished Educator Retiring as President of Central Michigan College

EXTENSION OF REMARKS OF

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. CEDERBERG. Mr. Speaker, one of Michigan's best known and distinguished educators is retiring from the presidency of a college, the affairs of which he administered for 20 years.

Central Michigan College at Mount Pleasant, Mich., and in the 10th Congressional District, will lose the services of a devoted man when the resignation of Dr. Charles L. Anspach becomes effective on July 1. However, deeply imbedded on the campus will be the inspiration woven into the school's fabric by the character of Dr. Anspach and by his devotion to everything that contributed to the advancement of the college.

Under the direction of President Anspach, Central Michigan College rose in stature to the point where the Legislature of the State of Michigan has just enacted legislation granting the school university status, effective June 1.

Not only has Dr. Anspach given unstintingly of his time and effort to foster the growth of Central Michigan College and strengthen the character of its students, but he has found time to participate in the civic affairs of the community and of the State.

Dr. Anspach's sterling qualities of mind and heart coupled with his warm, outgoing personality and sparkling sense of humor have caused him to be very much in demand as a speaker.

In Dr. Anspach's 20 years at Central Michigan College the school grew from an enrollment of 2,284 to 7,247; its faculty more than doubled to nearly 300; and its physical plant value multiplied from \$4 million to \$28 million. The campus itself increased from 50 to 235 acres.

Research and special studies have been emphasized with the college receiving well over \$400,000 from a number of sources including the Fund for Advancement of Education, Atomic Energy Commission, and Dow Chemical Co.'s National Science Foundation.

Dr. Anspach could have continued as president of the new university, since he is several years from the mandatory retirement age, but true to his makeup he expressed his feeling that the new university should have a younger man at its helm as the school moves into a new status.

Although we in Michigan are sorry to be losing the active services of Dr. Anspach, we are pleased that he has agreed to remain as president emeritus. I am also glad that he has indicated his intention of remaining one of my constituents in the 10th district because I value his counsel and enjoy his companionship during the occasions when our travels bring us together.

I join Dr. Anspach's friends—and they are legion—in wishing him and his charming wife, Mary, many happy years of retirement.

Depletion Allowance for Perlite

EXTENSION OF REMARKS OF

HON. THOMAS G. MORRIS

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. MORRIS of New Mexico. Mr. Speaker, if it were possible for everyone to study all of the aspects of our Revenue Code I am sure that the phrase "depletion allowance" would not connote something undesirable. We have all read of late the term "tax giveaway" or "out-right subsidy," so perhaps it is well to recall that we have had a depletion allowance in one form or another for nearly 50 years, and if such an allowance were not in the best interests of the land the Congress would have voted it out of existence long ago. This section of the revenue code has been periodically changed or modified until today the allowances are pegged equitable to known values of material and limited so that they cannot become excessive. A majority of the areas of controversy have been settled in the courts and we have a good workable law. Perhaps one of its best features is that it leaves in the hands of the Congress the periodic determination of just compensation in any particular area and rectification where considered appropriate without disturbing the body of the law or affecting other materials. Adjustments can be accomplished by changing the percentage depletion allowance for a group of materials, or by moving a particular material from one group to another.

A case in point is perlite, a relative newcomer to the field of expandable aggregates which have become of such commercial importance. Their uses now range from building construction,

throughout industry, and into farming. When the benefits of depletion were extended to perlite in 1951 it was a new mineral whose real commercial use extended only over 5 years. At that time there was not sufficient data at hand, or operating experience to show exactly where perlite would fit into the field of expandable aggregates. The depletion allowance was therefore quite properly established at a conservative 10 percent and then maintained at that level in the Revenue Act of 1954. Since that time the uses of perlite in its original and newer fields have come to closely parallel those of vermiculite, diatomaceous earth, fuller's earth, bentonite and gilsonite, each with a 15 percent depletion allowance. It is in no way intended to convey the impression that these materials enjoy an inordinate allowance as it is realized they may well be operating under difficulties themselves. Nonetheless, this difference in percentage allowance coupled with certain operational problems peculiar to perlite, has made competition on an equal basis impossible.

To one of our industrial States a small change in the depletion allowance of a material is of minor importance. In all probability it will result only in an eventual small variation in the cost of some finished product. To a mining State, however, a small change in percentage depletion compensation for one of its mining industries can be of great and continuing importance. It can spell the difference between success or failure of a relatively new enterprise. It can determine the rate of growth of a well-established one with its effects on local employment and wealth of the State. In fact it can determine whether or not a material will continue to be mined year after year or will eventually be abandoned for lack of new sources. Therefore, today I have introduced a bill to amend the Internal Revenue Code to provide a percentage depletion allowance of 15 percent for perlite.

Social Security Coverage for Self-Employed Physicians

EXTENSION OF REMARKS OF

HON. GEORGE M. WALLHAUSER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. WALLHAUSER. Mr. Speaker, on Wednesday of last week, I introduced a bill, H.R. 7295, designed to provide coverage under the Social Security Act for self-employed physicians.

The bill, which is designed to break through a long-existing bottleneck that has stymied such legislation in past Congresses, would—

First. Grant the right of election of coverage to present self-employed physicians.

Second. Automatically cover all persons who enter the field of medicine as

self-employed physicians after enactment of the bill into law.

As we all are aware, self-employed physicians now are one of the few groups in the Nation not covered under the Social Security Act, and it is my belief that acceptance of the proposals contained in my bill could overcome the difficulties that have prevented extension of coverage to the medical profession.

Two major reasons are attributed for the failure to bring self-employed physicians under the Social Security Act. One is the opposition of some in the medical profession to compulsory coverage. The other is the opposition of the legislative and executive branches of Government to elective coverage because of long-established social security policy.

My proposals call for a slight shift in the two positions so that a compromise can be reached.

Under my bill a presently self-employed physician would have to choose whether or not he or she wanted to participate in the social security program by the due date of his or her second income tax year after enactment of the bill. A signed declaration of noncoverage, which would be necessary under terms of the bill, would be irrevocable.

Thus, those presently self-employed physicians desiring social security coverage for themselves, their wives, and their children could obtain it, while those opposing it would not be forced to accept it. This could answer, at least in part, the objections of those sternly opposed to compulsory coverage.

In the case of those who are to become self-employed physicians, they would be automatically covered by social security from the start of their practices. In most instances, this would mean a continuation of coverage they have had while employed in hospitals or other types of public and private employment.

Because this proposal would mean that all self-employed physicians eventually would be covered by social security, just as are members of other professions and other working men and women, it might well provide a means of compromise for those opposed to elective coverage.

Unless there is a complete change of attitude by the opposite parties in this matter, an insistence upon complete elective or complete compulsory coverage can mean automatic defeat for any effort to give social security protection to the many in the medical profession who desire it. I do not believe we should shut the door in the faces of those physicians and their families.

Possibly because my late father and my late brother were members of the medical profession, many physicians have contacted me since my election to the Congress last year and asked that I take what I consider the necessary steps to give them the social security coverage now enjoyed by a vast, vast majority of working Americans.

I believe my bill will accomplish that purpose in the shortest possible time.

In closing, I would like to cite a recent poll of the Essex County Medical Society in New Jersey to indicate the number of physicians who want social security cov-

erage. In that poll, the members of the society, many of whom live in my congressional district, were asked: "Are you in favor of compulsory social security for physicians?" A total of 1,209 replies were received and the tabulation was: Yes, 822; no, 377; and undecided, 10.

The Crisis in Agriculture: Wheat

EXTENSION OF REMARKS OF

HON. GEORGE S. McGOVERN

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. McGOVERN. Mr. Speaker, there is no domestic problem confronting the American people that is so serious as the mounting crisis in agriculture.

The 86th Congress will have failed a crucial test of its responsibility if we adjourn without constructive action to meet this crisis in our largest and most essential industry.

The farm problem is a national problem affecting every home in America—the farmer squeezed between low farm prices and rising costs, the taxpayer plagued by costly and ineffective existing programs, the worker and businessman who depend upon farm purchasing power to absorb their products, and the consumer who depends upon a healthy agricultural establishment for his daily bread.

The House Committee on Agriculture has reported legislation designed to meet one of the most urgent aspects of the farm problem—the pileup of wheat surpluses.

This legislation calls upon wheat farmers to cut back their wheat acreage by 25 percent, in return for which they would be offered 90 percent of parity price supports on their new smaller production.

For the 2-year period covered by the bill—1960-61—it would reduce wheat production by 480 million bushels and would lower costs of the wheat program by \$528 million.

I respectfully submit that this is a bill clearly superior to the wheat legislation recently passed by the other body.

It is my hope that the positive step toward a solution of the farm problem offered in the House wheat bill, H.R. 7246, will win quick approval by the Committee on Rules and the membership of the House.

The major provisions of the bill, as summarized in the excellent committee report, are as follows:

First. Each farm acreage allotment of wheat, under the 55 million national allotment, would be reduced 25 percent in 1960 and 1961. This land in the 25 percent reduction would not be eligible for the soil bank or for planting to any crop subject to price support under the Agricultural Act of 1949.

Second. Producers who grow no crops on land and do not graze the land in the 25 percent reduction would be eligible to receive payments in kind—wheat—

equivalent to one-third of the average annual production of the retired acres during the preceeding 3 years.

Third. The support price would be at 90 percent of parity in 1960 and 1961.

Fourth. All growers, cooperators and noncooperators, would be eligible for price support at 50 percent of parity, if marketing quotas are disapproved by more than one-third of the growers voting in referendums.

Fifth. The 15-acre exemption would be reduced to the smaller of 12 acres, or the highest planted acreage in 1957, 1958, or 1959, and the 200-bushel exemption would be repealed.

Sixth. The 30-acre ceiling on the wheat-for-feed exemption would be removed, and there would be no limit on production for on-the-farm use.

Seventh. For the 2 years this program is in effect it would increase the present penalty for overplanting from 45 percent of parity to 65 percent, and the penalty computations would be based on double the normal yield or the actual yield, whichever is lower.

Eighth. If marketing quotas are disapproved, the Commodity Credit Corporation could not release wheat from its holdings at less than 75 percent of parity, plus 5 percent, plus carrying charges.

Ninth. Voting eligibility for marketing quota referendums would be based on the previous year's planting record rather than on the announced intention of planting for the coming year.

Tenth. Acreage histories for the 2-year life of this program would be automatically preserved.

At the end of the 2 years, the wheat program would revert to the program provided under present law, unless the Congress takes further action before the 1962 crop is planted.

Growing Menace of Mail Order Obscenity

EXTENSION OF REMARKS OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. REES of Kansas. Mr. Speaker, under unanimous consent heretofore granted, I am including a copy of a release by the Postmaster General calling attention to the ever growing menace of mail order obscenity. General Summerfield urges the immediate need of concerted action in an attempt to deal with this serious problem:

GROWING MENACE OF MAIL ORDER OBSCENITY—SMUT MERCHANTS CONCENTRATE ON CHILDREN—FILTH SALES TOP HALF-BILLION DOLLARS—POSTMASTER GENERAL DECLARES WAR ON RACKET—NATION'S PARENTS ARE KEY TO EFFECTIVE ACTION

WHAT IS THE MAIL ORDER OBSCENITY RACKET?

The vile racket that traffics in obscenity and pornography by mail has now reached a sales level estimated at more than a half billion dollars a year.

Relying on the historic sanctity of first-class mail in the United States, and liberal

court interpretations of what constitutes obscenity, peddlers of filth can reach into virtually every home in America.

This is a matter of growing concern especially to American parents because teenagers and even grade school boys and girls are becoming the principal targets of these racketeers.

The Post Office Department, which is responsible for enforcing the laws against transmitting indecent literature and film through the mail, estimates that merchants of filth will double the scope of their already extensive operations over the next 4 years unless parents and the decent-minded public join in a determined campaign to stamp out this racket.

Postmaster General Arthur E. Summerfield has emphasized that the absolute privacy of the mail is a basic American right, and that the Post Office Department cannot, and will not, violate this right, even when it has strong evidence that the mail is being used for unlawful purposes.

The Post Office Department, therefore, must rely on the complaints of an alert citizenry—of people into whose homes solicitation material is sent—to take action against the purveyors of mail order obscenity.

ANTIQUATED LAWS AND LIBERAL COURT INTERPRETATIONS A HANDICAP

Until August of 1958, however, an additional handicap was placed on the Post Office Department. Obscenity laws had shackled the Government by permitting it to prosecute only at the point of origin of the mail. This meant that court actions were taken primarily in New York and Los Angeles, where interpretations of what is obscene or pornographic are much different from those in the average American community.

In recent years, the Post Office Department had urged Congress to amend the law so that prosecutions could take place where the obscene material was received, where the actual damage was being done, and where citizens would have an opportunity to express their standards of morality and decency. This amendment was enacted, and signed into law by President Eisenhower, in August of 1958.

Taking advantage of the new legislation, the Post Office Department during the past year has completed approximately 14,000 separate investigations, almost two-thirds of them based on complaints from American parents whose children received lewd solicitations for sales of obscene materials through the mails.

NO YOUNGSTER IS SAFE FROM SOLICITATION BY MERCHANTS OF FILTH

A child need not have indicated any interest in this trash to receive it in the mail. The racketeers openly solicit every young person whose name they can obtain, whether through the purchase of mailing lists, study of school classbooks, or through the use of fake business fronts. Postmaster General Summerfield says the Post Office Department has thousands of letters from indignant parents whose children received unsolicited obscene material soon after answering an advertisement to purchase some innocent item such as a baseball bat or a toy automobile, or whose names were obtained because they had joined a youth club or social group.

In a recent raid by the postal inspectors in New York City on just one dealer in pornography, 17 tons of highly obscene printed and filmed materials were confiscated, as well as mailing lists containing the names of thousands of high school graduates culled out of high-school yearbooks.

The Post Office Department estimates that between 700,000 and a million children in American homes will receive unsolicited obscene and pornographic literature through the mails this year.

POSTMASTER GENERAL URGES CONCERTED ACTION

In testifying before Congress recently, Postmaster General Summerfield said:

"Ruthless mail-order merchants in filth are violating the homes of the Nation in defiance of the National Government. They are callously dumping into the hands of our children, through our mailboxes at home, unordered lewd material, as well as samples soliciting the sale of even more objectionable pictures, slides, films, and related filth. Unquestionably, these large, defiant barons of obscenity are contributing to the alarming increase in juvenile delinquency, as many noted authorities have publicly observed on repeated occasion."

Repeatedly, in the investigations of armed robbery, extortion, embezzlement, and forgery, authorities find that those guilty of the crimes were early collectors of obscene pictures and films.

Authorities also point out that sex criminals and sex murderers almost always prove to have a long record of addiction to pornographic and sadistic material. Children who are never exposed to this material, it is noted, may nevertheless be victims of sex criminals who have been exposed to it.

In a speech in Washington in May 1959 Postmaster General Summerfield said the Post Office has diligently tried to keep the mails clear of indecent materials.

In the fiscal year of 1958, he stated, investigations conducted by postal inspectors caused the arrest of 293 persons. The Post Office General Counsel issued 92 orders barring use of the mails to dealers in pornography. The arrests in 1958 were 45 percent above the previous year and—Mr. Summerfield predicted—will increase substantially again this year.

With the weapon of the new legislation in hand, he declared, the Post Office is greatly intensifying its campaign.

"We are, in effect," he said, "declaring war on these purveyors of filth, big and little, high and low."

"We are launching an intense and unrelenting effort to stop this monstrous assault on the Nation's children in every way possible."

"And we are confident that, with adequate public and legislative support, this job can be done."

FOURFOLD PROGRAM OF COOPERATION

To achieve this cooperation, the fourfold Post Office program is:

1. Drawing maximum public attention to the menace of this racket;
2. Urging parents to help apprehend the mailers of filth to their children;
3. Helping mobilize community support behind adequate law enforcement of local ordinances or State laws when these purveyors are apprehended and brought to court;
4. Rallying public opinion behind new and stiffer legislation on obscenity.

PARENTS OF AMERICA ARE KEY TO EFFECTIVE ACTION AGAINST THIS RACKET

Parents into whose homes obscene material is mailed are urged to take these two simple steps:

1. Save all materials received, including the envelope and all enclosures; and
2. Report the matter immediately to the local postmaster, and turn the materials over to him, either in person or by mail.

Postal inspectors stand ready to take action when evidence is received anywhere that the laws applying to the mailing of pornographic material have been violated.

The Congress has shown deep concern over this problem, and special committees are currently giving it serious and purposeful study.

In increasing numbers of communities throughout the country, parents, various organizations, civic groups, newspaper publish-

ers and others are working together in determined efforts to help meet the racketeers' challenge.

By supporting and aiding the Post Office, and backing up Members of Congress and local officials who are fighting to stamp out this evil, they can look to the real success that is vital to the Nation's moral fiber and future welfare.

Credit Unions

EXTENSION OF REMARKS

OF

HON. LEONARD G. WOLF

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 25, 1959

Mr. WOLF. Mr. Speaker, under leave to revise and extend my remarks I would like to insert in the RECORD a copy of my testimony before the Banking and Currency Subcommittee No. 3, regarding credit unions:

STATEMENT OF THE HONORABLE LEONARD G. WOLF, DEMOCRAT, OF IOWA, BEFORE SUBCOMMITTEE NO. 3 OF THE BANKING AND CURRENCY COMMITTEE OF THE HOUSE OF REPRESENTATIVES, MAY 15, 1959

Mr. Chairman, I take this opportunity to express my support of H.R. 5777 and related bills, to amend the Federal Credit Union Act, now being considered by this subcommittee.

In my home State there are more than 300 credit unions presently in operation, serving more than 100,000 members. However, only a few of these Iowa credit unions are chartered under Federal law. One of the primary reasons the credit unions in my area prefer to be chartered and operate under the laws of the State of Iowa is that these statutes are far less restrictive than the Federal credit union law, and allow State-chartered credit unions to operate in my area with more flexibility. For instance, the State law imposes no signature loan limitation on credit unions chartered under the Iowa laws. Such limitation is left to the discretion of the board of directors of each credit union. Also, the laws of the State do not specify any limitation on loan maturities, except in the case of real estate loans, in which case the loan maturity limit is 10 years. These State-chartered credit unions are providing invaluable services to the people of my district. Certainly the Federal act should be amended to increase the signature loan limitation from \$400 to \$1,000 and to increase the loan maturity limit from 3 to 5 years.

To my way of thinking this legislation is long overdue. We are all aware of the numerous changes which have been taking place throughout the economy during the past several years—interest rates have been rising, the purchasing power of the dollar has been decreasing, consumer credit has been on an upward trend as more and more consumer goods become available and more and more American families seek to improve their standard of living. There has been a steady growth in the number of American families who can afford at least some of the comforts once associated with the highest positions in society. The credit unions have contributed their fair share toward this increased number. This cooperative movement is truly a "grassroots" program. People in all walks of life—in schools, churches, manufacturing, and in many occupations—have had their needs and desires met through credit union loans and savings.

We are today faced with the necessity for formulating some sound methods for guiding the continued growth of our economy at a rate which will assure an adequate supply of goods and services at reasonable prices while at the same time preventing inflation. The accomplishment of this goal of economic stability depends upon the assistance of all segments of the economy—the lenders, the industrial producer, the farmer, the distributors, the small businesses and the large. The modernization of Federal credit union legislation can do much to assist in this endeavor, by facilitating the efficient operation of the individual credit unions. At the same time, an increased supply of loan funds would be made available for the provident and productive purposes of low and middle income families and individuals. The self-help quality of these institutions is a refreshing and welcome part of the economic and social scene.

During the 25 years of Federal credit unions, and the even longer period in which some of the State credit unions have operated, these financial institutions have performed a much-needed service. It is because of the real need for the services of these institutions that they have achieved such an enviable record of growth, both in membership and assets. Perhaps the most important factor accounting for this tremendous

growth is the credit union's willingness to make loans to individuals for purposes which would not be acceptable to most other lenders—and at interest rates which are usually much lower than the interest charges required by commercial or mutual banks. In summary, these groups have fostered and encouraged thrift through regulated savings and prudent economic management of individual credit and financial resources. Such purposes must be served if we are to maintain a healthy economy which meets the needs of all levels of our population.

In view of the rapid changes which have been occurring in our economy, it is expedient that revisions be made in the structure of credit union operations, such as those contained in H.R. 5777. The losses suffered on unsecured loans made by credit unions have not been out of line with those of other financial institutions. Therefore, an increase in the unsecured loan maximum from \$400 to \$1,000 is warranted, and not unduly risky. Likewise, I believe that investment in shares of central credit unions does not carry with it any undue risk. Rather, it will provide additional dividend income and will make funds available where they are most in demand, following the natural economic course of resources flowing into areas where they can be the most productive.

Still another important proposal made by H.R. 5777 is the extension of loan maturities from 3 to 5 years. This lengthening of the period of time within which loans may be repaid is in keeping with extended periods for home mortgage repayments and other consumer installment purchases.

All of these provisions upon which I have touched, and others contained in the proposed legislation, will facilitate more adequate servicing of the credit needs of millions of individuals. We would be remiss in our duty if we did not furnish these credit co-operatives with all the assistance which can be made available through the revision of the Federal statute to bring its provisions in line with the changing times. There is no question with regard to the Federal expenditures for these cooperatives—they are self-supporting entities, under the general supervision of the likewise self-sustaining Bureau of the Federal Credit Unions. There is no question, either, with regard to the essentiality of the services rendered by these financial institutions. Approval of this proposed legislation will underscore our belief in the basic principles upon which our whole economic and social structure has been built—the perpetuation of the ideals of equality of man, freedom of opportunity and unselfish cooperation.

SENATE

TUESDAY, MAY 26, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God of the living and of the living dead, in the cloud of witnesses looking down upon us as we struggle on in an embattled world, we see the faces of those who across the generations have built roads down which high causes have triumphantly advanced. And now, in that shining company of the valiant, Thy servant, and the Nation's, John Foster Dulles, takes his place forever, having toiled terribly and having stood inflexibly for God's truth against the devil's falsehood.

Grant to us the same grace so to dedicate our lives to the great cause of a better, holier world, that, by our sacrifice, our actions, and our obedience, we may build roads for the hopes and dreams of prophetic souls who have seen the city of God across the hills of time.

And when our part is played, and our work is done, and we have fought the good fight, and kept the faith, as did the warrior whose passing is mourned in this Chamber and by free men around the globe, may we go on to larger service, grateful for the ideas which have used us on their way to coronation.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, May 22, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

ATOMIC ENERGY AGREEMENTS— MESSAGES FROM THE PRESIDENT

Mr. JOHNSON of Texas. Mr. President, the President has transmitted to the Senate today two messages relating to atomic energy agreements with certain countries. The messages have been read in the House, and I ask unanimous consent that they be printed in the Record without being read, and referred to the Joint Committee on Atomic Energy.

The VICE PRESIDENT. Without objection, it is so ordered.

The messages from the President are as follows:

To the Congress of the United States:

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting herewith to each House of the Congress an authoritative copy of an Agreement Between the Government of the United States of America and the Government of Canada for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes. The agreement was signed in Washington on May 22, 1959, by the Acting Secretary of State on behalf of the Government of the United States and the Ambassador of Canada to the United States on behalf of the Government of Canada.

Proceeding from the authority contained in Public Law 85-479 approved by the President July 2, 1958, which amended the Atomic Energy Act of 1954, the agreement was negotiated for the purpose of advancing the extent of cooperation between the two countries in their common defense, particularly in the vital field of the military applications of atomic energy.

The agreement is predicated on the determination that the common defense and security of the United States and Canada will be advanced by the cooperation envisaged therein, and takes into account that our countries are participating together in an international defense arrangement. The exchanges of

information and transfers of equipment provided for in the agreement will substantially contribute to the capability of the United States and Canada to meet their mutual defensive responsibilities already closely shared.

I am also transmitting a copy of the Acting Secretary of State's letter accompanying authoritative copies of the signed agreement, a copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of this agreement, and a copy of my memorandum in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, May 26, 1959.

(Enclosures: (1) Agreement Between the Government of the United States of America and the Government of Canada for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; (2) copy of Secretary of State's letter accompanying copies of the signed agreement; (3) copy of a joint letter from the Chairman of the AEC and the Secretary of Defense recommending my approval of the agreement; (4) a copy of my memorandum in reply thereto setting forth my approval.)

To the Congress of the United States:

In December 1957 the heads of government of the nations members of the North Atlantic Treaty Organization reached agreement in principle on the desirability of achieving the most effective pattern of NATO military defensive strength, taking into account the most recent developments in weapons and techniques. In enunciating this agreement in principle the heads of government made it clear that this decision was the result of the fact that the Soviet leaders, while preventing a general disarmament agreement, had left no doubt that the most modern and destructive weapons of all kinds were being introduced into the Soviet armed forces.